



Sector Readiness to Female Entrepreneurship: Enablers and Hindrances

Framework for the Empowerment of Female Entrepreneurs

Report to the
WATER RESEARCH COMMISSION

by

TRACI REDDY (lead-author), SUSAN BYAKIKA and AMANDA NYINGWA (co-authors)
Pegasys Institute

WRC Report No. 2944/1/20
ISBN 978-0-6392-0218-1

November 2020

Obtainable from

Water Research Commission

Private Bag X03

GEZINA, 0031

orders@wrc.org.za or download from www.wrc.org.za

DISCLAIMER

This report has been reviewed by the Water Research Commission (WRC) and approved for publication. Approval does not signify that the contents necessarily reflect the views and policies of the WRC, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

EXECUTIVE SUMMARY

Introduction

Globally, there is recognition that investing in women-owned businesses and integrating them into supply chains is “smart economics” and good for business (UN Women, 2017). Women contribute significantly to the global economy, in both formal and informal markets. A 2013 study revealed that, even though the global statistics for women owned business sits at over 30%, these businesses only tap into one per cent of the corporate procurement spend (UN Women, 2017), partly because of the lack of gender-responsive procurement practices within procurement processes, both in the private sector and government.

Locally, this picture is no different in the Water Sector. Female-owned businesses, and in particular black female-led enterprises, operating in the water and sanitation sector, are largely under-represented and significantly lag behind male-owned businesses. This is demonstrated by the significantly reduced presence of productive female-owned businesses competing in the sector. Many female-owned businesses struggle to break out of the small and medium-sized enterprise ceiling.

Despite the supportive policy and legislative environment, challenges still persist with high levels of gender inequality in access to and beneficiation from existing economic opportunities. This inequality is reflected in the level of unemployment standing at 27.6%, with women said to be more affected than men (StatsSA, 2019a & 2019b). These inequalities are often compounded by racial and cultural undertones and more critically the historical aspects of apartheid. Known challenges faced by especially black women in South Africa include issues of race, culture, geographic location, limitations in access to finance, access to relevant social networks, inadequate skills due to low levels of education and training, an unsupportive socio-cultural environment, the absence of mentors for women, and the lack of business management skills for starting up or sustaining new ventures.

In recognition of the challenges women face, the government of South Africa supports women empowerment through deliberate programmes in the various sectors. One such programme specific to the water sector is the Water Empowerment Programme (WEP). The 3-year programme was launched in 2016, with the aim of providing the support needed by women to have access to, own and/or advance in entrepreneurial opportunities available in water- and sanitation-related services to the public. The extent to which such initiatives were effective in promoting women empowerment through improved access to and beneficiation from water sector business opportunities has not been clear. The adopted initiatives did not have a long lifespan to ensure sufficient impact. In addition, there has not been sufficient monitoring and evaluation to provide an evidence base to support lesson-learning and the development of further or new approaches to support women empowerment. Therefore, it is difficult to determine the extent to which these programmes would have had impact in transforming and improving the productive participation of female-owned enterprises in the water sector.

Noting the above, the Water Research Commission had commissioned a study to understand the barriers to female entrepreneurs in the water sector. This study, ***Water Sector Readiness to Female Entrepreneurship: Enablers and Hindrances***, is rooted in the understanding that there is an urgent need to ensure the readiness

of organs of state to promote and support more female entrepreneurs. Organs of state in the Water Sector have a critical role to play on the procurement of services that promote and unlock sector opportunities for female entrepreneurs and female-owned enterprises. The study culminated in a **Framework for the Empowerment of Female Entrepreneurs** (this document) which provides guidance to both female entrepreneurs in the water sector and to organs of state on ways to improve support for female-owned businesses in the sector. It should be noted that whilst the focus is on female entrepreneurs in the water sector, many of the lessons learned are applicable to all entrepreneurs and in different economic sectors of the country and go broader. To this end, the Framework seeks to:



Figure E1: Objectives of the Framework

Understanding the Enabling Environment

The support and empowerment of female entrepreneurs in the water sector is guided by an overarching transformative framework comprised of various legislation, policy, and strategic instruments. These instruments provide government institutions with direction in terms of the operating and enabling environment that creates opportunities for female entrepreneurs, as well as providing guidance as to the sort of programmatic interventions that could be taken to develop these businesses and assist them in overcoming barriers to entry.

The overarching **transformative framework** for the inclusion and promotion of female entrepreneurs is underpinned by Section 9 of the Constitution, 1996 (Act No. 108 of 1996) which enshrines, amongst others, gender equality and unlawfulness of discrimination based on gender. Noting the history of discrimination against women and the various barriers to the empowerment of women, a number of supporting legislative and policy instruments have been developed to entrench this transformative framework and enable public

sector and private sector actors to take directed actions that support the implementation of important developmental instruments such as the National Development Plan.

Within the **water sector**, there are a range of policy instruments, strategies and programmatic interventions that have been developed to support implemented empowerment of female entrepreneurs and to enable participation in the various elements of the water sector business.

The framework is summarised in the figure below:

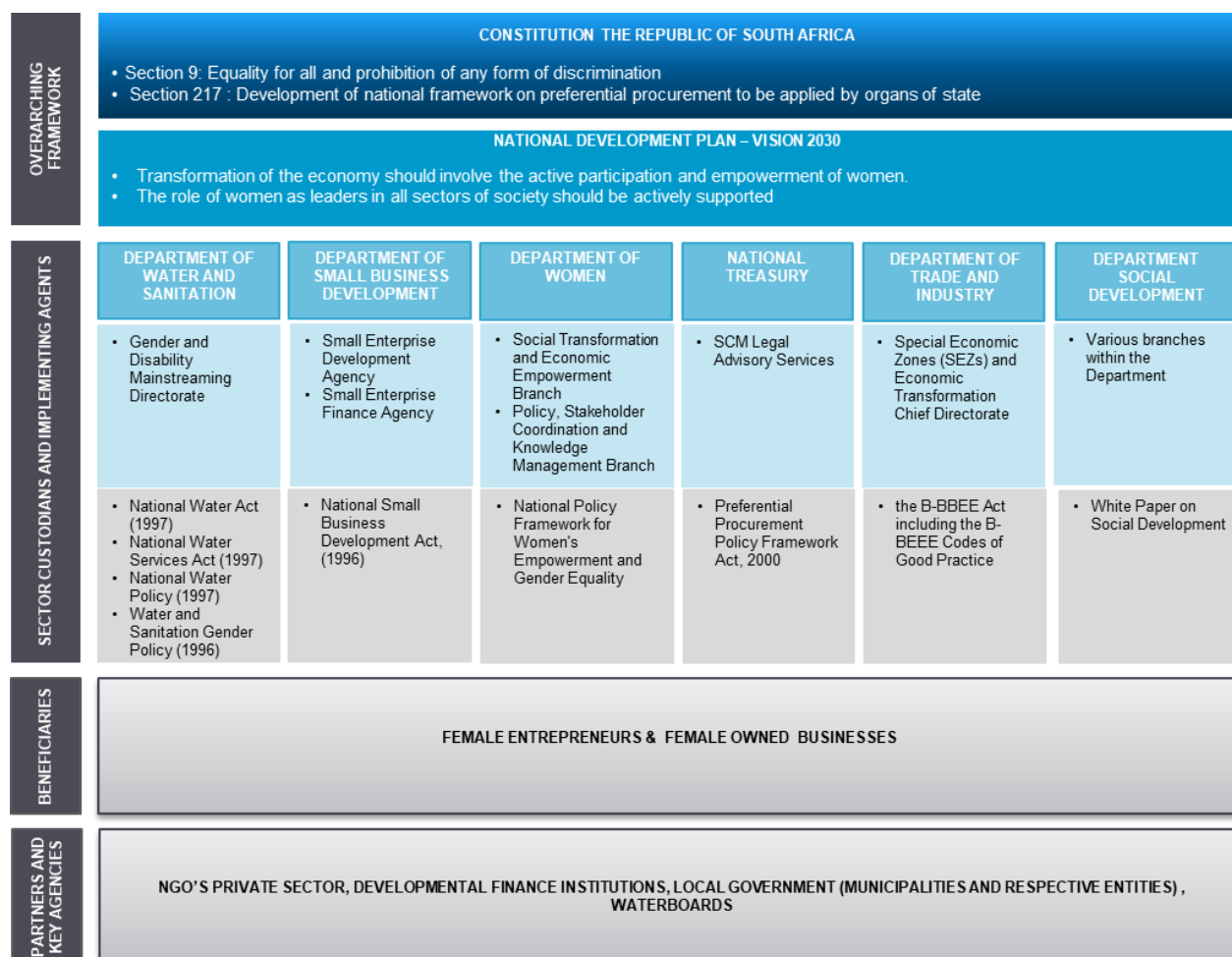


Figure E2: Summary of the enabling framework

Barriers to advancing Female Entrepreneurs in the Water Sector

There are a range of unique challenges faced by women entrepreneurs and women-owned businesses in South Africa in comparison to their male counterparts. Women, who represent 52% of the South African population, still suffer from historical and cultural prejudices in accessing opportunities. For black women, the combination of race and gender creates double disparity which compounds the issues faced. While making this argument, it is important to put gender equality in its proper perspective, noting that 'gains by women do not necessarily mean losses for men' (Witbooi & Ukpere, 2011).

The water and sanitation sector has made efforts to advance the participation of female-owned enterprises through efforts such as the launch of the Women Empowerment Programme. Despite the launch of such innovative programmes, sector-specific challenges persist that hinder the full and productive participation of female-owned enterprises. These challenges are pervasive at different levels and in different ways, and many of the challenges identified sit outside of the water sector itself. In understanding these sector-specific and broader challenges, response actions can be identified and developed to mitigate these challenges. Key areas of challenges are presented in the figure below:

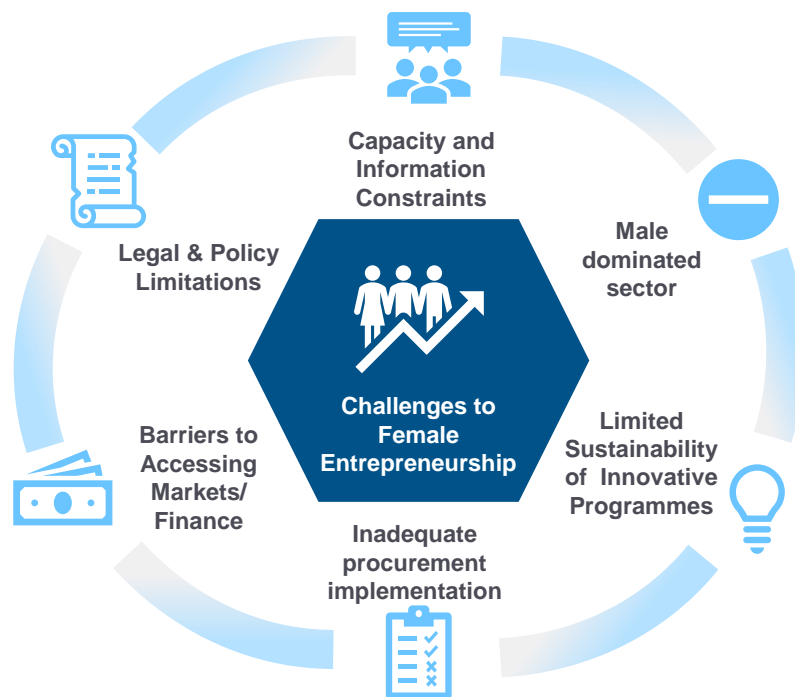


Figure E3: Challenges to female entrepreneurship in the water sector

A transformative framework for promoting female entrepreneurship in the Water Sector

There is a clear understanding that access to economic activities within South Africa are not equal, with this inequality having significant impacts on how women are able to develop and sustain business opportunities. The importance of taking structured action to redress the various barriers to entry is emphasised in policy, legislation, and key strategic instruments such as the NDP. In this regard, both the public and private sectors have a meaningful role to play and should in fact work conjunctively towards this objective of unlocking female entrepreneurship.

The water sector does provide a range of opportunities across the water value chain to enable the empowerment of female entrepreneurs. This includes the development of water sector knowledge (through working in the public sector), through contractual work to public sector institutions (undertaking various support projects that may be political, technical, strategic, social, economic, operational or institutional in nature) or through developing and using water resources and water supplies to support economic activities.

This does require that water sector institutions look internally at their policies, strategies, programmes and procedures that support the development of opportunities for female entrepreneurs externally.

Noting the challenges that have been highlighted, and the complexity of the many interventions that could be taken to support the advancement of female-owned enterprises, there appears to be four key opportunity areas that, when addressed together, form a transformative framework for empowering female entrepreneurs. These opportunity areas being: 1.) Strengthening the legal and policy frameworks; 2.) Building capacity and training; 3.) Supportive procurement; and 4.) Support business development (Figure E4). All these opportunity areas need to be addressed and the interaction between these areas need to be understood and leveraged in order to affect the empowerment that is required in the water sector.

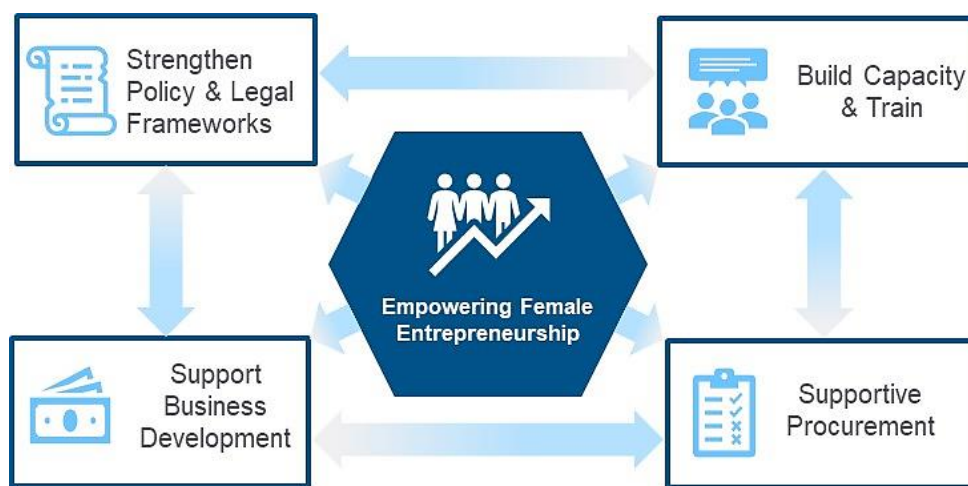


Figure E4: Opportunities to advance female entrepreneurship in the water sector

Actioning the Framework

The Transformative Framework developed translates into a significant amount of work to be undertaken by the Water Sector to improve its readiness for female entrepreneurs, and consequently promoting their advancement. In considering the human and financial constraints in undertaking all the mitigating interventions, a pragmatic approach to the next steps is laid out that will need to be implemented by the water sector organs of state. This will require commitment and boldness to move away from the business-as-usual approach.

In the short-term, the following are prioritised as critical interventions that will have significant impact of changing the landscape for female entrepreneurs to gain access to and implement opportunities in the Water Sector. The three interventions are:

- **Intervention 1: Strengthen the policy environment**
 - Develop entrepreneurship-centric policy for females; and
 - Translate learnings from the study into recommendations for the Public Procurement Bill, 2020 ("the draft Bill").

- **Intervention 2: Address procurement challenges**
 - Strengthen internal procurement;
 - Revised tender specifications;
 - Clarify Interpretation of Regulation 4 of the PPPFA;
 - Understand implications on Supply Chain Management; and
 - Cross-sectoral/interdepartmental learning.
- **Intervention 3: Develop a suite of priority projects**
 - Identify priority projects specific for female entrepreneurs; and
 - Communicate and raise awareness around the opportunities identified.

These interventions provide the foundation for more medium- to longer term interventions that look to establish engagement platforms and build technical and business capacity across sector.

ACKNOWLEDGEMENTS

The authors would like to thank the following persons for their participation in the WRC Project K5/2944:

Name	Affiliation
Research and Coordination Team	
Ms Virginia Molose	Water Research Commission (Research Manager)
Ms Penny Jaca	Water Research Commission (Project coordinator)
Ms Traci Reddy	Pegasys (Project Leader)
Ms Susan N Byakika	Pegasys (Researcher)
Ms Amanda Nyingwa	Pegasys (Student Researcher)
Mr Derek Weston	Pegasys (Reviewer)
Reference Group Members	
Ms Virginia Molose	Water Research Commission (Chairperson)
Ms Traci Reddy	Pegasys
Ms Susan N Byakika	Pegasys
Ms Amanda Nyingwa	Pegasys
Ms Eustathia Bofilatos	Department of Human Settlements, Water and Sanitation
Ms Phuti Setati Moshina	Department of Human Settlements, Water and Sanitation
Ms Nomvula Makgotlho	Department of Small Business Development
Ms Refilwe Lesufi	Prana Consulting
Ms Moipone Masalesa	University of South Africa
Stakeholder Engagement: National Departments and Public Entities	
Ms Phuti Moshina Setati	Department of Human Settlements, Water and Sanitation
Mr Mohale Shai	Department of Human Settlements, Water and Sanitation
Mr Gustavais Makoloi	Department of Human Settlements, Water and Sanitation
Ms Nomvula Makgotlho	Department of Small Business Development
Ms Nomvula Tsatsi	Department of Trade and Industry
Ms Leandra Pietersen	National Treasury
Mr Nkosinotando Mathebula	National Treasury
Dr Chantal Ramcharan-Kotze	Water Research Commission
Ms Valerie Naidoo	Water Research Commission
Stakeholder Engagement: WEP Service Providers, WEP Incubates, WEP Mentees, Private Sector	
Ms Bongekile Ntombifuthi	AECI Wise Wayze Water Care Programme
Ms Nicole Solomon	AECI
Ms Masetha Serakoana	Funama
Ms Evah Chabangu	Makgo Projects
Ms Refilwe Lesufi	Prana consulting
Ms Dolly Tembe	Sakhisizwe Development Training & Contractors

This page was intentionally left blank

CONTENTS

Executive Summary	iii
Acknowledgements	ix
Contents	xi
List of Figures	xiv
List of Tables	xiv
List of Acronyms	xv
1. Introduction	1
1.1. Background	1
1.2. Objectives of the Framework	2
1.3. Process of Development	3
1.4. Target Audience for this Framework	4
2. Understanding the Enabling Environment	6
2.1. Overarching Transformative Framework	6
2.1.1. Policy and Legislation	6
2.1.2. Strategic Instruments	10
2.1.3. Institutional Framework	10
2.2. Water Sector Empowerment	13
2.2.1. Policy and Legislation	14
2.2.2. Strategic Instruments	15
2.2.3. Institutional Framework	16
2.3. Unpacking Procurement	17
3. Barriers to advancing Female Entrepreneurs In the Water Sector	19
3.1. Legal and Policy Limitations	20
3.1.1. Role of customary law in advancing female entrepreneurs	20
3.1.2. Absence of an entrepreneurship centric policy for females	20
3.1.3. Understanding the point allocation system in the water sector procurement policy ...	21
3.1.4. Limited translation of policy and legal instruments into implementation	21
3.1.5. Siloed approaches and limited coordination for female-empowerment	21
3.2. Capacity and Information Constraints	22
3.2.1. Obstacles to achieving basic education and training	22
3.2.2. Limited accessible information to promote sector understanding	22
3.2.3. Limited pragmatic opportunities to develop business acumen	22
3.2.4. Monetary constraints	23

3.2.5.	<i>Limited platforms for business development in the water sector</i>	23
3.3.	Male Dominated Sector	23
3.3.1.	<i>Difficulty in breaking into existing and new markets</i>	23
3.3.2.	<i>Gender and social norms still dominate</i>	24
3.4.	Limited Sustainability of Innovative Programmes.....	25
3.4.1.	<i>Lack of structure and guidance around water value chain opportunities.....</i>	25
3.4.2.	<i>Piece-meal mentorship programmes</i>	25
3.4.3.	<i>The “fly-by-night” entrepreneur</i>	25
3.4.4.	<i>Limited social networking.....</i>	26
3.4.5.	<i>Limited awareness around initiatives being undertaken to advance female entrepreneurs</i>	26
3.4.6.	<i>Limited political will to drive longer-term planning</i>	27
3.5.	Inadequate Procurement Implementation	27
3.5.1.	<i>Misinterpretation of the procurement policy</i>	27
3.5.2.	<i>Lack of a guidance on translating procurement rules and regulations.....</i>	28
3.6.	Barriers to Accessing Finance	29
3.6.1.	<i>Limited access to capital/seed funding for female entrepreneurs</i>	29
3.6.2.	<i>Missed opportunity with state-funding</i>	29
3.6.3.	<i>Lack of dedicated funding/financing for female entrepreneurs.....</i>	29
4.	A transformative framework for Promoting Female Entrepreneurship in the Water Sector ...	31
4.1.	Strengthen policy and legal frameworks.....	32
4.1.1.	<i>Entrepreneur centric policy.....</i>	32
4.1.2.	<i>Linkages to other policy instruments.....</i>	32
4.1.3.	<i>Strengthening legal instruments</i>	32
4.2.	Build capacity and train	33
4.2.1.	<i>Create opportunity awareness</i>	33
4.2.2.	<i>Water sector institutions as incubators for new entrepreneurs.....</i>	33
4.2.3.	<i>Ensuring access to water use.....</i>	33
4.2.4.	<i>Building technical capacity and skills</i>	33
4.2.5.	<i>Building business management skills</i>	35
4.3.	Supportive Procurement	37
4.3.1.	<i>Development of priority project opportunities.....</i>	37
4.3.2.	<i>Improvement of procurement procedures</i>	38
4.4.	Support business development.....	39

4.4.1.	<i>Unlocking networks</i>	39
4.4.2.	<i>Developing the business case</i>	39
4.4.3.	<i>Innovative financing products</i>	40
5.	Actioning the Framework	40
5.1.	Intervention 1: Strengthen the policy environment	41
5.2.	Intervention 2: Address procurement challenges.....	41
5.3.	Intervention 3: Develop a suite of priority projects	42
6.	References	43
	APPENDICES	47
	Appendix A: STAKEHOLDERS INTERVIEWED	47
	Appendix B: DATA COLLECTION TEMPLATES	48
	Appendix C: INFORMATION SUPPORT	49

LIST OF FIGURES

Figure 1: Objectives of the Framework	3
Figure 2: Approach to the development of the Framework	4
Figure 3: Enabling environment for female entrepreneurship	12
Figure 4: Challenges to female entrepreneurship in the water sector	19
Figure 5: Water value chain and the institutions that oversee and manage this	31
Figure 6: Opportunities to advance female entrepreneurship in the water sector.....	32

LIST OF TABLES

Table 1: Summary of overarching transformative policy and legislative environment	9
Table 2: Summary of water sector transformative policy and legislative environment.....	15

LIST OF ACRONYMS

Acronym	Definition
B-BBEE	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
CIDB	Construction Industry Development Board
CMS	Catchment Management Strategy
Constitution	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
DAFF	Department of Agriculture and Forestry Fisheries
DBSA	Development Bank of South Africa
DHSWS	Department of Human Settlements and Water and Sanitation
DoW	Department of Women (Youth and Persons with Disabilities)
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development of Land Reforms
DSBD	Department of Small Business Development
DSD	Department for Social Development
DTI	Department of Trade and Industry
DWA	Department of Water Affairs (now DWS)
DWS	Department of Water and Sanitation
EME	Exempted Micro Enterprise
IBWiWC	Incomati Basin Women in Water Conference
IDC	Industrial Development Corporation
IPAP	Industrial Policy Action Plan
IUCMA	Inkomati-Usuthu Catchment Management Agency
IWRM	Integrated Water Resources Management
NDP	National Development Plan
NSBA	National Small Business Act, 1996 (Act 102 of 1996)
NSBAC	National Small Business Advisory Council
NT	National Treasury
NWRS2	National Water Resource Strategy (2 nd Edition)
OCPO	Office of the Chief Procurement Office
OECD	Organisation for Economic Co-operation and Development
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)

Acronym	Definition
PPS	Preference Point System
QSE	Qualifying Small Enterprise
RDP	Reconstruction Development Programme
SA	South Africa
SAPPO	South Africa Pork Producers' Association
SAWEN	South African Women Entrepreneurs' Network
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SEZ	Special Economic Zone
SMME	Small, Medium and Micro Enterprise
SMT	Senior Management Team
WEP	Water Empowerment Programme
WRC	Water Research Commission
NEF	National Empowerment Fund
MENA	Middle East and North Africa

1. INTRODUCTION

1.1. Background


Globally, there is recognition that investing in women-owned businesses and integrating them into supply chains is “smart economics” and good for business (UN Women, 2017). Women contribute significantly to the global economy, in both formal and informal markets. A 2013 study revealed that, even though the global statistics for women owned business sits at over 30%, these businesses only tap into one per cent of the corporate procurement spend (UN Women, 2017), partly because of the lack of gender-responsive procurement practices within procurement processes, both in the private sector and government.


Locally, this picture is no different in the Water Sector. Female-owned businesses, and in particular black female-led enterprises, operating in the water and sanitation sector, are largely under-represented and significantly lag behind male-owned businesses. This is demonstrated by the significantly reduced presence of productive female-owned businesses competing in the sector. Many female-owned businesses struggle to break out of the small and medium-sized enterprise ceiling.

Inequalities are often compounded by cultural, social and gender norms and the historical racial undertones of apartheid. According to Witbooi & Ukpere (2011), the challenges faced by black women entrepreneurs in South Africa include issues of race, culture, geographic location, and limitations in access to finance. The study goes on to further explain that access to relevant social networks, inadequate skills due to low levels of education and training and an unsupportive socio-cultural environment shrinks the agency in females to establish businesses. In addition, the absence of appropriate mentors for women and the lack of business management skills for starting up or sustaining new ventures hinders productive participation of female-owned businesses (Witbooi & Ukpere, 2011).

The empowerment of women is critical to the transformation agenda of South Africa which seeks to address past inequalities and to advance inclusive socio-economic development. Despite the supportive policy and legislative environment, challenges still persist with high levels of gender inequality in access to and beneficiation from existing economic opportunities. This inequality is reflected in the level of unemployment standing at 27.6%, with women said to be more affected than men (StatsSA, 2019a & 2019b).

In recognition of these challenges, the Government of South Africa has endeavoured to advance women empowerment through the development of supportive policies, anchored by a transformative Constitution. Additionally, the Government spearheads interventions in various public sectors, aimed at promoting the empowerment of women. Among such interventions introduced within the water sector were the:

 **Water Empowerment Programme (WEP):** In 2016, the Minister of Water and Sanitation launched the Women Empowerment Programme (WEP) with the aim of building the capacity of women to participate more in the water sector. The programme was consisted of three main projects namely: a) Women in Water Entrepreneurship Incubator Project; b) Mentorship Project; and c) Women in Water Forum. Despite the challenges the programme has faced, it was a key driver for improving the inclusion of female-led enterprises in the water sector. The project also was critical in establishing and understanding the readiness of Government as a key role-player for unlocking opportunities female entrepreneurs.

 **Women in Water Awards:** Women in Water Awards programme served as a vehicle for the Department of Human Settlements, Water and Sanitation to appreciate and recognise the achievements by women and the vital role that they play in the water sector. Especially women who demonstrate perseverance under difficult circumstances without resources and women who support communities in building their capacity by the sharing of good water management practices.

The extent to which such initiatives were effective in promoting women empowerment through improved access to and beneficiation from water sector business opportunities has not been clear. The adopted initiatives did not have a long lifespan to ensure sufficient impact. In addition, there has not been sufficient monitoring and evaluation to provide an evidence base to support lesson-learning and the development of further or new approaches to support women empowerment. Therefore, it is difficult to determine the extent to which these programmes would have had impact in transforming and improving the productive participation of female-owned enterprises in the water sector.

Noting the above, the Water Research Commission had commissioned a study to understand the barriers to female entrepreneurs in the water sector. This study, ***Water Sector Readiness to Female Entrepreneurship: Enablers and Hindrances***, is rooted in the understanding that there is an urgent need to ensure the readiness of organs of state to promote and support more female entrepreneurs. Organs of state in the Water Sector have a critical role to play on the procurement of services that promote and unlock sector opportunities for female entrepreneurs and female-owned enterprises. The study culminated in a ***Framework for the Empowerment of Female Entrepreneurs*** (this document) which provides guidance to both female entrepreneurs in the water sector and to organs of state on ways to improve support for female-owned businesses in the sector. It should be noted that whilst the focus is on female entrepreneurs in the water sector, many of the lessons learned are applicable to all entrepreneurs and in different economic sectors of the country and go broader.

1.2. Objectives of the Framework

The objectives of this Framework is to assess the readiness of the water sector to effectively provide procurement opportunities to female entrepreneurs in a manner that is equitable, addresses issues of gender mainstreaming, and contributes to the on-going transformation agenda through the development of female entrepreneurs in the sector. To this end, the Framework seeks to:

- **Review and strengthen the enabling environment** to support female entrepreneurs in the water sector;
- **Review and document the successes and challenges** of existing water sector programmes to promote female entrepreneurship;
- **Understand the challenges/hindrances that impact the promotion of female entrepreneurship** in the water sector;
- **Bring into focus the strategic areas** that require strengthening to support and empower female entrepreneurs in the water sector;
- **Build the capacity of the water sector officials and procurement officers** to further support female entrepreneurs; and
- **Promote advocacy and awareness** to support procurement opportunities for female entrepreneurs in support of sector transformation.



Figure 1: Objectives of the Framework

The framework provides an analysis of existing information to provide useful insights on the subject matter and presents opportunities for promoting the participation of female entrepreneurs in the water sector.

1.3. Process of Development

The development of the Framework consisted of three phases: Inception, Development and Finalisation, as described in the figure below:

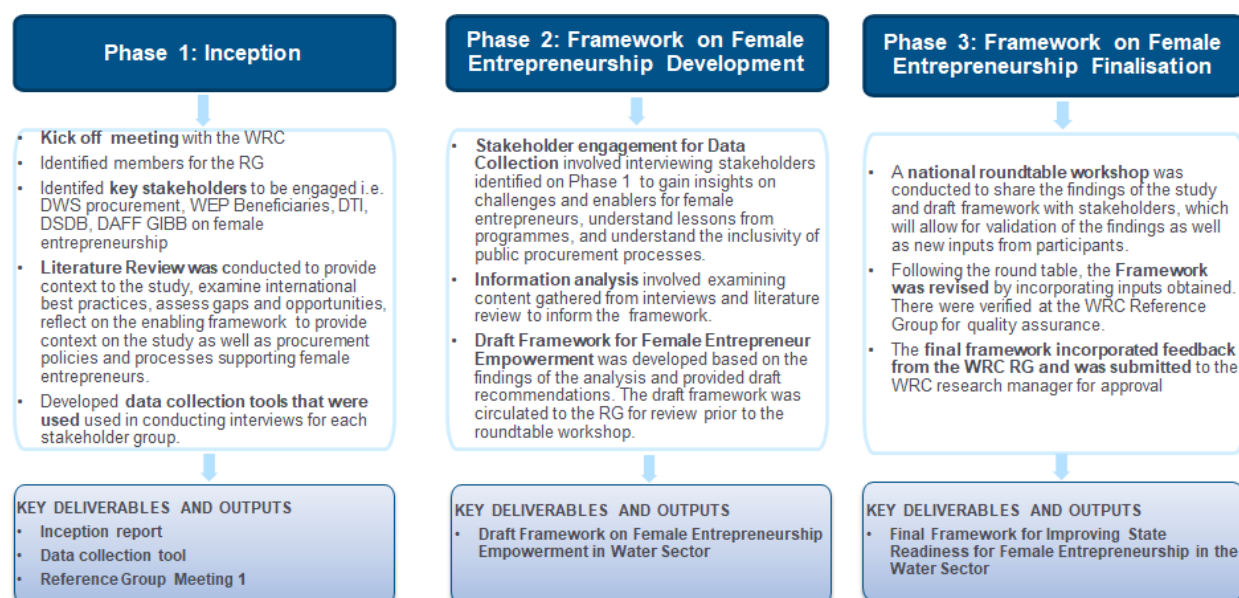


Figure 2: Approach to the development of the Framework

1.4. Target Audience for this Framework

The Framework is intended to guide water and sanitation sector organs of state to empower both the existing and new/upcoming female entrepreneurs and to ensure that they are effectively supported. It therefore provides useful insights not only for water sector officials, but also for female entrepreneurs or businesses to successfully navigate the sector procurement opportunities, helping to ensure that they capitalise on the opportunities that exist. Key stakeholders include (but are not limited to):

- ✚ **The Department of Human Settlements, Water and Sanitation** as the custodian of the water and sanitation sector, provides the strategic direction for the sector to respond to the inclusion and empowerment of female entrepreneurs. Secondly the DHSWS is instrumental in unlocking government-driven opportunities that can ensure that female entrepreneurs are sufficiently supported in the sector.
- ✚ **Water Management Institutions** that are established through legislation such as Catchment Management Agencies are through policy aimed at being transformational in their approach to the water sector and through catchment-based programmes and projects can support the development of female entrepreneurs to support these initiatives.
- ✚ **The Water Research Commission**, as the water and sanitation sector research arm, has a key role in identifying and researching which avenues should be explored in order to ensure that female entrepreneurs who are operating and entering the water sector are effectively informed and can be equipped to uptake entrepreneurial opportunities. In addition, the WRC is critical for attracting female enterprises into the research arena. As such, these research and development projects can be seen to provide useful learning opportunities for women developing in the water sector. As a result, the institution has a crucial role to unlock research opportunities that can support and empower female entrepreneurs in the water sector.

- ✚ **Female-owned businesses** may use this document to reflect on the challenges being faced in the sector and find ways in which they can ready themselves and understand how water sector organs of state are planning to respond to the advancement of female enterprises. As a result, this document provides a review of the enabling framework that aims to help guide female entrepreneurs on the water sector procurement.
- ✚ **Local government** has the mandate to support local economic development through the provision of various services, including water and sanitation services. As a result, within the municipal arena there are a range of opportunities across the water value chain for female enterprises to be developed and provide support.
- ✚ **Private sector affiliates** have a critical role to play including partnering with the water and sanitation sector organs of state to the advancement and productivity of female-owned enterprises including supporting companies to build capacity and strengthen competitive offerings.
- ✚ **Development Finance Institutions:** have a critical role in reshaping the discourse on the empowerment of female entrepreneurs in the water sector. Additionally, DFI are critical in unlocking as well as funding initiatives aimed at strengthening capacity of female led enterprises.
- ✚ **Water Boards:** Many water and sanitation development opportunities are situated under the jurisdiction of the Water Boards who support a range water resource management and development functions.

A concerted and collaborative effort between these players, each owning their role and playing their part including (e.g. policy implementation and regulation, research, and advocacy) to support implementation is critical to the successful and sustainable support to female entrepreneur empowerment.

2. UNDERSTANDING THE ENABLING ENVIRONMENT

The support and empowerment of female entrepreneurs in the water sector is guided by an overarching transformative framework comprised of various legislation, policy, and strategic instruments. These instruments provide government institutions with direction in terms of the operating and enabling environment that creates opportunities for female entrepreneurs, as well as providing guidance as to the sort of programmatic interventions that could be taken to develop these businesses and assist them in overcoming barriers to entry.

There are indeed complexities to this, as has been realised by various government organisations and institutions endeavouring to give effect to these instruments. These challenges are discussed in some detail in Chapter 3. Nevertheless, it is essential to understand these instruments and the opportunities that these provide and how, with the understanding of these challenges this can be more effectively translated into meaningful empowerment in the water sector.

The overarching **transformative framework** for the inclusion and promotion of female entrepreneurs is underpinned by Section 9 of the Constitution, 1996 (Act No. 108 of 1996) which enshrines, amongst others, gender equality and unlawfulness of discrimination based on gender. Noting the history of discrimination against women and the various barriers to the empowerment of women, a number of supporting legislative and policy instruments have been developed to entrench this transformative framework and enable public sector and private sector actors to take directed actions that support the implementation of important developmental instruments such as the National Development Plan.

Within the **water sector**, there are a range of policy instruments, strategies and programmatic interventions that have been developed to support implemented empowerment of female entrepreneurs and to enable participation in the various elements of the water sector business.

2.1. Overarching Transformative Framework

South Africa has developed a range of instruments that aim to remedy the historical legacy of discrimination against women. These instruments collectively provide for a transformative framework that guides the public and private sectors in taking focused interventions to support this redress and to facilitate women in gaining equal access to developmental opportunities.

2.1.1. Policy and Legislation

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996 (ACT NO. 108 OF 1996): Section 9 provides the legal footing for national legislation and objectives to promote the achievement of equality. It prohibits discrimination on grounds of “*race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth*” from the state or person.

Moreover, the section explicitly states that legislative and other measures may be designed to promote equality, protect, or advance categories of persons previously disadvantaged by unfair discrimination¹. This provides the basis for the need to take transformative actions to redress historical and currently

¹ Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (PEPUDA) or the Equality Act, Act No. 4 of 2000

resident imbalances and to undertake actions to support empowerment and the **active participation of all groups, females included, in all spheres of society.**

NATIONAL POLICY FRAMEWORK FOR WOMEN'S EMPOWERMENT AND GENDER EQUALITY: The National Gender Policy Framework sets precedence for female empowerment and establishes a clear vision to guide the process of developing laws, policies, procedures and practices. This in turn ensures equal rights and opportunities for women and men in all spheres and structures of government as well as in the workplace, the community and the family (The Presidency, n.d.). Whilst the Gender Policy Framework is not prescriptive, it does set norms and standards for national gender equality programmes. The main objectives of the National Gender Policy Framework are to (DWA, 2006):

- Create an enabling policy environment for translating government commitment to gender equality into a reality;
- Establish policies, programmes, structures, and mechanisms to empower women and to transform gender relations in all aspects of work, at all levels of government as well as within the broader society;
- Ensure that gender considerations are effectively integrated into all aspects of government policies, activities, and programmes;
- Establish an institutional framework for the advancement of the status of women, as well as the achievement of gender equality; and
- Advocate for the promotion of new attitudes, values and behaviour, and a culture of respect for all human beings in line with the new policy

In view of the above, the key elements of the National Gender Policy Framework anchor the empowerment of women in entrepreneurship.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) ACT, 2003 (ACT NO. 53 OF 2003): The B-BBEE Act is the country's progressive legislative tool for driving transformation and supporting black enterprise development in extension black female-owned enterprises (DTI , 2011). The Act creates a framework for promoting and measuring empowerment of unfairly discriminated groups. In addition, the Act leverages the State's power to promote and encourage empowerment and transformation in the private sector (DTI , 2011).

The objectives of the Act are to facilitate broad-based black economic empowerment by:

- (a) promoting economic transformation in order to enable meaningful participation of black people in the economy;*
- (b) achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;*
- (c) increasing the extent to which communities, workers, cooperatives, and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure, and skills training;*
- (d) increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure, and skills training;*

- (e) promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;*
- (f) empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership, and skills;*
- (g) promoting access to finance for black start-ups, small, medium, and micro enterprises, co-operatives, and black entrepreneurs, including those in the informal business sector; and*
- (h) increasing effective economic participation and black owned and managed enterprises, including small, medium, and micro enterprises and co-operatives and enhancing their access to financial and non-financial support.*

Based on the objectives the B-BBEE Act is a multi-pronged tool tasked with executing government's commitment to ensuring that the private sector is transformative. The Act also ensures that black entrepreneurs, including black female entrepreneurs, are provided with the necessary rights to participate in the economy.

The B-BBEE Act also calls on existing and new enterprises as well as any organs of the State to adhere to the *Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice*. According to the Act, the *Codes of Good Practice* provide for:

- (a) the further interpretation and definition of broad-based black economic empowerment and the interpretation and definition of different categories of black empowerment entities;*
- (b) qualification criteria for preferential purposes for procurement and other economic activities;*
- (c) indicators to measure broad-based black economic empowerment;*
- (d) the weighting to be attached to broad-based black economic empowerment indicators referred to in paragraph(c);*
- (e) guidelines for stakeholders in the relevant sectors of the economy to draw up transformation charters and codes of good practice for their sector; and*
- (f) any other matter necessary to achieve the objectives of the Act.*

PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 (ACT NO. 5 OF 2000) (PPPFA): The PPPFA advances the objectives of the B-BBEE Act and B-BBEE Codes of Good Practice including Section 217 of the Constitution. This Act states that when an organ of state contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective (DTI, n.d.). Furthermore, it stipulates the need to implement a procurement policy that will provide for categories of preference in the allocation of contracts; and the protection or advancement of persons, or categories of persons disadvantaged by unfair discrimination.

The purpose of the PPPFA is to ensure that when government assesses contracts, it considers the preferential point system which prescribes functionality, price and reconstruction development programme (RDP) goals. In extension, the B-BBEE Act and associated strategies including the B-BBEE Codes of Good Practice. The PPPFA is therefore a fundamental tool for supporting the advancement of black-owned female enterprises.

An element of the PPPFA is the **PPPFA 2017 Preferential Procurement Regulations** which support economic transformation and female enterprise development. The premise of the regulations is to ensure socio-economic transformation and the promotion of small enterprises and cooperatives. Furthermore, the PPPFA Regulations are aimed at promoting rural and township enterprises including local industrial development. This advancement uniquely places the PPPFA 2017 Regulations at the centre of ensuring that black owned businesses (including black female-owned) are adequately supported to improve their sustainability and productivity.

EMPLOYMENT EQUITY ACT, 1998 (ACT NO. 55 OF 1998): The Act prescribes that all enterprises whether Exempted Micro Enterprises (EME) or Qualifying Small Enterprises (QSE) need to adhere to the Act to support transformation in private sector. The Act aims to achieve equity in the workplace by promoting equal access to opportunities and fair treatment in employment. To this end, the Act supports elimination of unfair discrimination through implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups. This helps to ensure equitable representation in all occupational categories and levels in the workforce (SAICA, 2018). It is through this Act that existing and new black female-owned EMEs or QSEs can advance the B-BBEE Act objectives and benefit from the PPPFA and the PPPFA 2017 Preferential Procurement Regulations.

NATIONAL SMALL BUSINESS ACT, 1996 (ACT 102 OF 1996) AS AMENDED IN 2003 AND 2004: The NSBA provides guidelines for organs of state to promote small businesses, authorised the establishment of the National Small Business Advisory Council (NSBAC) and Small Enterprise Development Agency (SEDA). Respectively NSBA and SEDA promote the interests of small businesses, and advanced policies and supportive mechanisms to small businesses.

The Table 1 below is a summary of the policy and legislative instruments and tools that provide an enabling environment for the empowerment of female entrepreneurs in South Africa.

Table 1: Summary of overarching transformative policy and legislative environment

Policy/Legislation	Purpose
Section 9: Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	Prohibits discrimination of disadvantaged, on grounds of gender, race, etc.
The National Policy Framework for Women's Empowerment and Gender Equality	Guides the process of developing laws, policies, procedures, and practices which will serve to ensure equal rights and opportunities for women and men
White Paper on Affirmative Action (AA) in Public Service	Sets out mandatory requirements for govt departments to implement their AA programmes; sets out accountability, monitoring and reporting responsibilities of players
Broad-Based Black Economic Empowerment (B-BBEE) Act, 2003	B-BBEE Act supports black enterprise development, with emphasis on black female-owned businesses. Also promotes transformation in private sector through BBEEE Codes of Good Practice and the Preference Point System (PPS).

Policy/Legislation	Purpose
Preferential Procurement Policy Framework Act (PPPFA), 2000	Advances B-BBEE objectives and Provides for preference categories in the allocation of public service contracts. Regulation 9 of PPPFA specifies that tenders >R30 Million must be subcontracted to an SME' that is at least 51% owned by black women
Employment Equity Act, 1988	Aims for equitable workplace environment. The Act supports existing and new black female-owned enterprises (EMEs or QSEs) to advance the objectives of the B-BBEE Act, Affirmative Action, the PPPFA and the PPPFA 2017 Preferential Procurement Regulations
National Small Business Act, 1996 (ACT 102 OF 1996) as amended in 2003 and 2004	Establish institutions to support SMME development as well as guide organs of state to promote SMMEs

2.1.2. Strategic Instruments

Strategic frameworks and action plans are developed to give effect to policy and legislation. The National Development Plan is the guiding instrument for government to achieve its key developmental objectives, of which economic and gender transformation being at the core.

NATIONAL DEVELOPMENT PLAN – VISION 2030: The National Development Plan (NDP) sets out a vision where gender equality is both formal and substantive. Although there is not a dedicated chapter for women in the NDP, several sections make commitments to empower women. In addition, the section on 'women and the plan' details some key interventions that are required. The NDP suggests that women's issues must be dealt with holistically and recognises that whilst women's rights have certainly come a long way since 1994, discrimination, patriarchal attitudes and poor access to quality education persists. Notwithstanding the fact that there is no dedicated chapter for women, the NDP recognises that women make up a large percentage of the poor, particularly in rural areas. The plan takes gender – along with race and geographic location – into account and proposes a range of measures to advance women's equality including that:

- Public employment should be expanded to provide work for the unemployed, with a specific focus on youth and women.
- The transformation of the economy should involve the active participation and empowerment of women.
- The role of women as leaders in all sectors of society should be actively supported.
- Social, cultural, religious, and educational barriers to women entering the job market should be addressed.
- Security of tenure should be created for communal farmers, especially women.

2.1.3. Institutional Framework

The mandate for giving effect to this transformative framework and for empowering female entrepreneurs cuts across various line departments in South Africa. Although the principles of cooperative government

are a core part of the governance framework there are inherent complexities in aligning planning and in realising coordinated implementation. Whilst sector departments that support and oversee socio-economic development proactively seek to implement activities aimed at advancing female-owned enterprises, there are a number of actors that play a key role in guiding and supporting these sector institutions (Figure 3).

DEPARTMENT OF WOMEN (DOW) is tasked to champion the advancement of women's socio-economic empowerment and the promotion of gender equality. The DoW has established two programmes with underlying subprogrammes to support the women's socio-economic empowerment and gender equality. The programmes include:

- **Programme 2: Social Transformation and Economic Empowerment:** The purpose of this programme is to facilitate and promote the attainment of women's socio-economic empowerment and gender equality.

The programme consists of three sub-programmes:

- *Social empowerment and transformation:* provide intervention mechanisms on policies and programme implementation for mainstreaming the social empowerment and participation of women towards social transformation.
- *Economic empowerment and participation:* provide intervention mechanisms on policies and programme implementation for mainstreaming the economic empowerment and participation of women towards economic transformation and development.
- *Governance transformation, justice and security:* mainstreams gender equality, and contributes to eliminating gender-based violence.

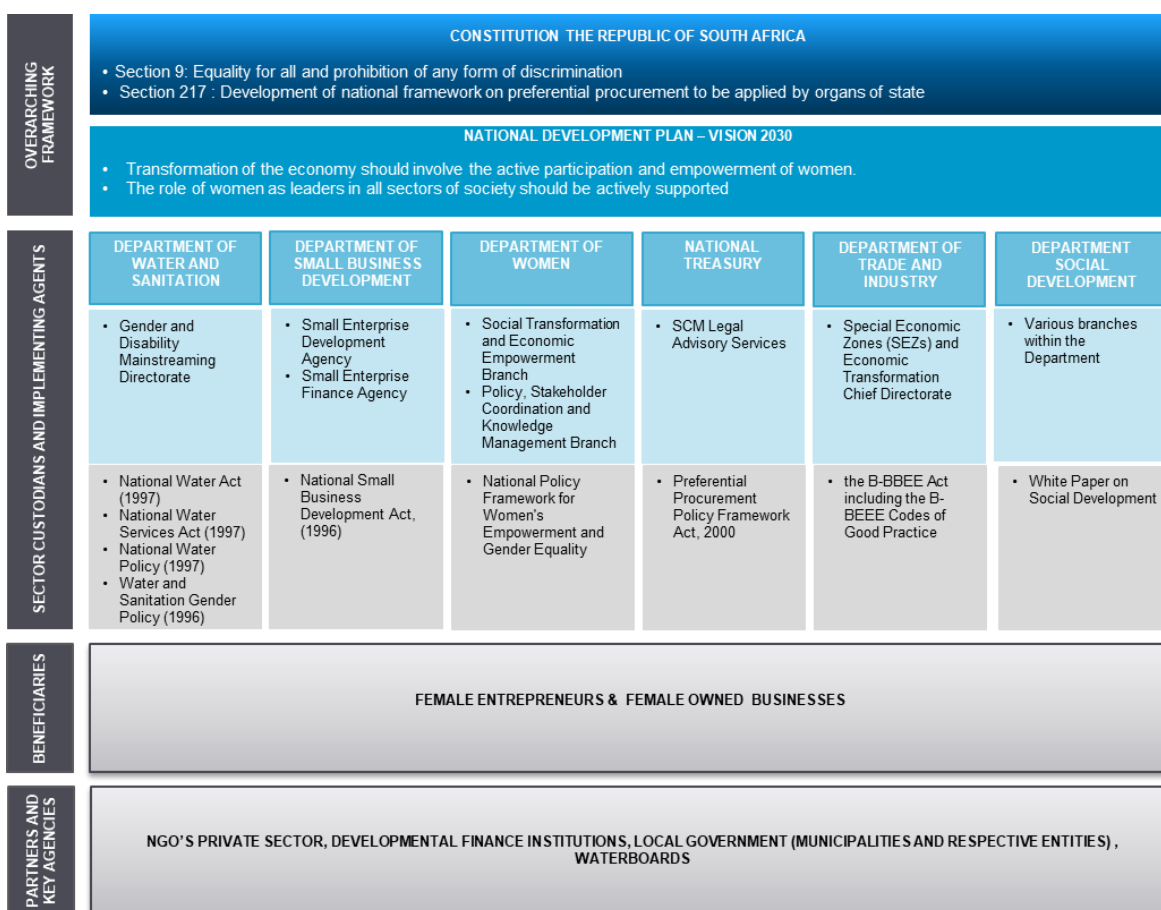


Figure 3: Enabling environment for female entrepreneurship

- **Programme 3: Policy, Stakeholder Coordination and Knowledge Management:** The purpose of Programme 3 is to undertake research, policy analysis, knowledge management, monitoring, evaluation, outreach and stakeholder coordination for women's socio-economic empowerment and gender equality.

The Programme consists of four sub-programmes:

- *Research and Policy Analysis:* the purpose of the sub-programme is to promote the development of gender sensitive research and conduct policy analysis to intervene in transformation for socio-economic empowerment of women and gender equality.
- *Information and Knowledge Management:* the purpose of the sub-programme is to position the department as the knowledge gateway on socio-economic empowerment of women and gender equality
- *Stakeholder Coordination and Outreach:* the purpose of the sub-programme is stakeholder management, international relations and to conduct outreach initiatives which promote women's socio-economic empowerment and gender equality.
- *Monitoring and Evaluation:* the purpose of the sub-programme is to monitor and evaluate progress on the empowerment of women in line with national laws, regional, continental and international treaties and commitments.

NATIONAL TREASURY: National Treasury (NT) is the custodian of PPPFA and provides the policy direction and makes recommendations for the advancing of previously disadvantaged persons or groups through the enactment of preferential policy. Through the Supply Chain Management and Legal Advisory Services Directorate, NT tracks the advancement of female entrepreneurs through current legislation.

DEPARTMENT OF TRADE AND INDUSTRY: The DTI is the custodian of the B-BBEE Act including the B-BBEE Codes of Good Practice which underpin the PPPFA. This entails that the DTI has a crucial role to play in transforming private sector and promoting inclusion and productive participation female-owned enterprises. This role is operationalized through the Special Economic Zones (SEZs) and Economic Transformation Chief Directorate.

DEPARTMENT OF SMALL BUSINESS DEVELOPMENT'S (DSBD) mandate is to lead and coordinate an integrated approach for the promotion and development of entrepreneurship, small businesses, and co-operatives. Furthermore, the Department is tasked with ensuring an enabling legislative and policy environment to support their growth and sustainability (DSBD, 2019). In accordance with its mandate, the Department supports initiatives aimed at improving the sustainability of women-owned enterprises (Kilian, 2016). Given that majority of female-owned enterprises fall within the category of small business coupled with the Department's mandate, the DSBD becomes a key institution for anchoring the advancement of female enterprises (SEDA, n.d.).

- **Small Enterprise Development Agency (SEDA)** an agency of the DSDB plays an important role in supporting key government interventions that have been recommended to help promote women-owned businesses (West, 2015). Through the **Special Projects and Programmes Unit (SPP)**, SEDA promotes women enterprise development by providing information, counselling and business support services (SEDA, n.d.). With physical offices ideally located in each district municipality, SEDA offices have become key institutions for grassroots-based support in female enterprise development.
- **Small Enterprise Finance Agency (SEFA)** provides access to finance to survivalist businesses, and Small, Medium and Micro Enterprises (SMMEs). The DSDB Agency provides wholesale and direct lending; credit guarantees to SMMEs; supports the institutional strengthening of financial intermediaries so that they can be effective in assisting SMMEs. Additionally, SEFA creates strategic partnerships with a range of institutions for sustainable SMME development and support whilst monitoring the effectiveness and impact of its financing, credit guarantee and capacity development activities. Moreover, the institution develops innovative finance products, tools, and channels to catalyse increased market participation in the provision of affordable finance.

DEPARTMENT OF SOCIAL DEVELOPMENT: Although the DSD is primarily concerned with the social welfare and providing social assistance, since the revision of the White Paper on Social Development, the DSD now also promotes socio-economic programmes to improve service delivery. Part of this entails promoting the attainment of women's socio-economic empowerment and gender equality throughout all sectors.

2.2. Water Sector Empowerment

The water sector has several legal, policy and strategic instruments that support female entrepreneurship through enabling access to water to support water use and development as part of socio-economic

development. On the other hand, there are opportunities for female headed business to undertake an array of support work that enables the effective implementation of legislation, policy, and strategy.

2.2.1. Policy and Legislation

NATIONAL WATER POLICY, 1997: Passed in 1997, the National Water Policy recognises and supports female entrepreneurship by advocating for women to have equal access to economic opportunities. To this end, the Policy explicitly tasks the water sector lead to unlock economic opportunities that enable the participation and development of female-owned businesses. This ensures that “...women are represented at all levels and in all spheres of water management activities...” (Morna, 2011).

“The development of women in relation to water management is important for a number of reasons. Women are the traditional custodians of natural resources in the rural areas, and they are also the people who suffer most from degradation of water and other natural resources. It is important that women are represented at all levels and in all spheres of water management activities, in political, technical, and managerial positions. The State must make sure that ... women have equal access to economic opportunities and enjoy adequate living conditions in relation to water supply and sanitation”. – Source: The National Water Policy, DWA 1997

NATIONAL WATER SERVICES ACT (Act 108 of 1997) provides the governance framework to support access to basic water supply and basic sanitation and provides for the regulatory and institutional instruments that underpin the provision of these basic services. Whilst gender has only limited specific mention in this Act, it is an inherent consideration in the participation of committees and structures as well as in the development of standards, noting that the provision of water services within municipal areas provides the basis for many entrepreneurial activities.

NATIONAL WATER ACT (Act 36 of 1998) (NWA) provides the legal framework for the management of the nations’ water resources and entrenches the concepts of Integrated Water Resource Management which at its core recognises water as a social and economic good, as well as reflects the importance of women in the management of water. The NWA has (under Section 2) the purpose to redress the results of gender discrimination and reflects this throughout many of the key aspects of the Act. From the perspective of female entrepreneurship, the Act is clear that redress of gender discrimination needs to be a consideration in the allocation of water and the issuance of water use licenses. In support of water use license applications, the Act does enable the Minister to provide financial support to assist in developing water use license applications, with gender being a key consideration in such an application for support. From a governance perspective, the Act is clear that governing boards of water management institutions need to have gender representation, and this is important in terms of these institutions understanding, and championing, the developmental needs of women.

WATER AND SANITATION GENDER POLICY, 1996: This sectoral policy was adopted 1996 and provides guiding principles for gender integration in the water sector as a means of redressing of previous inequalities. Although comprehensive, the policy is quite dated and as a result it is being reviewed to address gaps and align it to current policies and objectives to ensure it effectively responds to current challenges. The Gender Policy tasks the water sector lead to (DWA, 2006):

- follow the Constitutional principle of gender equality, to recognise and address the current conditions that mitigate against women taking their full part in society;

- commit to a programme of action which recognizes present gender roles and works to counteract the gender inequities of the past; and
- end discriminatory practices and according recognition and special treatment to women as a means towards redressing the imbalances of the past.

The Gender Policy advocates for the inclusion and meaningful participation of female-owned enterprises in the economic opportunities available within the water sector.

Table 2: Summary of water sector transformative policy and legislative environment

Policy/Legislation	Purpose
National Water Policy (1997)	Advocates for women to have equal access to economic opportunities
Water Services Act (Act 108 of 1997)	Provides the legal and regulatory basis for water services within municipal areas, and which support socio-economic development.
National Water Act (Act 36 of 1998)	Provides the basis for integrated water resource management and outlines the redress of gender discrimination as a key consideration in the application for water use authorisations.
Water and Sanitation Gender Policy	Tasks Sector Lead to commit to a programme of action which recognizes and addresses present gender inequalities

2.2.2. Strategic Instruments

NATIONAL WATER RESOURCES STRATEGY (2ND EDITION) (2013) provides the water sectors' strategic framework for the implementation of legislation and policy towards sustainable water resource management and development. The strategy emphasises the importance of gender in water allocation reform and new water use license applications, noting that water allocation "must contribute to broad-based black economic empowerment (BBBEE) and gender equity by facilitating access by black- and women-owned enterprises to water".

NATIONAL IMPLEMENTATION STRATEGY AND ACTION PLAN (2006-2010) FOR MAINSTREAMING GENDER INTO THE WATER SERVICES SECTOR: The Action Plan sets out a comprehensive approach for mainstreaming gender into the Water Services Sector (DWA, 2006). The document draws on the National Policy Framework for Women's Empowerment and Gender Equality and advocates for a society where equality of opportunity and equality of treatment exists (DWA, 2006). In addition, the Action Plan prioritises economic transformation with emphasis on the need to link women empowerment and gender equality with economic transformation and control of resources. In this regard, the plan places emphasis on the inclusion of women owned enterprises in the commercial and economic aspects of water supply and services.

HEADS OF DEPARTMENT 8 PRINCIPLE ACTION PLAN FOR PROMOTING WOMEN EMPOWERMENT AND GENDER EQUALITY WITHIN THE PUBLIC SERVICE WORKPLACE. In parallel to the strategies and action plans described above, the DHSWS adopted the 8 Principle Plan in 2007. The 8 Principle Plan addresses women empowerment in the public service it has links to the advancement of female enterprise

development as it establishes an enabling environment for advancing female enterprise. The employment of women in Senior Management Team (SMT) raises the Department's gender and empowerment profile. In return, it provides female entrepreneurs interacting with the Department confidence that the presence of a female member of the SMT will signify better understanding of challenges faced by female entrepreneurs.

2.2.3. Institutional Framework

DEPARTMENT OF HUMAN SETTLEMENTS, WATER AND SANITATION – As custodian of the nations' water resources the Department develops and oversee the implementation of various governance instruments as well as authorising and regulating raw water use (abstraction and discharge). The Department also undertakes a significant number of studies that supports the sustainable management and efficient development of water resources. This includes the development of operational policies, strategies, planning tools, guidelines, as well as resource assessments and other technical studies. This then enables the Department to use focused interventions to utilise female owned and managed businesses to support strategic and operational studies, as well as looking to prioritise water allocations to enable female entrepreneurs to use water productively for business development.

The Department's Gender and Disability Mainstreaming Directorate deals with policy, programme and project support with regards to gender mainstreaming and women empowerment. In addition, the objectives and core functions of the Directorate speak to the need to prioritise and support females in all activities including entrepreneurial ventures. The core functions of the Directorate are as follows (DWS , 2017) :

- To oversee the mainstreaming of gender and disability in programmes and projects within the water and sanitation sector;
- To facilitate enforcement of compliance to policies and legislation of gender and disability;
- To conduct advocacy and education on gender and disability issues;
- To coordinate and facilitate commemorative programmes; and
- To monitor and evaluate the mainstreaming of gender and disability in departmental policies, projects, and programmes.

Catchment Management Agencies are being established in nine water management areas and give effect to water resource management through the development of a catchment management strategy. As with the Department these agencies have a role to play in supporting female entrepreneurs through their own studies as well as through facilitating water allocation reform and water use applications. Also, importantly the Catchment Management Strategy does need to align and support the Integrated Development Plans of Local Government.

Local Government is responsible for the provision of water services and sanitation, as part of supporting local economic development. Business opportunities arise through supporting projects as well as through the provision of water services supply to businesses.

Water User Associations are established under the auspices of the NWA and are aimed at water users cooperatively using and managing a shared water resource for mutual benefit. There are meaningful opportunities for these associations to provide technical and mentoring support to female-owned business operations, within their area of operation.

Water Boards are established to provide bulk water supply to municipalities and undertake an array of supporting studies to develop, operate and maintain infrastructure as well as catchment-based support studies where water resources may threaten bulk water supplies. The prioritisation of female entrepreneurs could be supported by these institutions.

Catchment Management Forums are not legislated institutions but play a key role in supporting information exchange and the development of practices at the catchment scale. As such, they can help build capacity and develop partnerships that enable the development of female-led businesses.

2.3. Unpacking Procurement

South Africa has significantly strengthened its legislation and policies to redress gender discrimination, however, challenge exists in the translation of the legal and policy instruments into action that realises change. There is gender parity within the political cohort of the country, and a desire to increase access to and promote the participation of females in the various economic sectors. A key element of this is the understanding and implementation of its procurement policies. It is clear from the above sections that there are a range of opportunities for female entrepreneurs to engage in work to support the water sector, however, a repeated theme through various key informant interviews has been that the procurement system has not been effectively used in the water sector to assist these businesses to access these opportunities.

Section 217 of the Constitution provides for the enactment of national legislation that ensures that procurement processes by organs of state advance transformation and the inclusion of persons or categories of persons disadvantaged by unfair discrimination. Water sector organs of state must perform their procurement and contracting processes in accordance with the PPPFA, read together with the B-BBEE Act.

The procurement policy contained in the PPPFA and its regulations is based on a preferential point system. The preferential point system is in turn based on two pillars, i.e. the price of the tender and the empowerment status of the tenderer. It is on the second pillar, the empowerment status of the tenderer, that the empowerment of previously disadvantaged groups including black female entrepreneurs can be promoted, as set out in the B-BBEE Codes.

For the entity to achieve the highest empowerment status as measured by the codes, it must meet various targets in relation to participation of black females in the entity. For example, black females must have an economic interest and voting rights in the entity; black females must be represented at board level, executive management and senior management positions in the entity; and, the entity must procure a specified percentage of its goods and services from black female-owned entities. Therefore, for a tendering entity to achieve most or all of the points in the empowerment component of the preference point system (and thus greatly improve its chances of winning the tender), it must have a high empowerment ranking as measured by the B-BBEE codes. **This interplay between the PPPFA, its regulations and the B-BBEE codes is one of the key mechanisms with which the state ensures the participation and the promotion of black female entrepreneurs in economic activities linked to public sector projects.**

When established entities seek to tender for such state work but lack the required empowerment credentials, there is an opportunity to enter into joint ventures with black female entrepreneurs. This subsequently boosts their points to tender for state work through such empowered joint ventures.

Regulation 9 of the PPPFA allows organs of state to specify that **a minimum of 30% of a tender above R30 000 000 must be sub-contracted to-**

- (a) an EME or QSE;*
- (b) an EME or QSE which is at least 51% owned by black people;*
- (c) an EME or QSE which is at least 51% owned by black people who are youth;*
- (d) an EME or QSE which is at least 51% owned by black people who are women;*
- (e) an EME or QSE which is at least 51% owned by black people with disabilities;*
- (f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;*
- (g) a cooperative which is at least 51% owned by black people;*
- (h) an EME or QSE which is at least 51% owned by black people who are military veterans; or*
- (i) more than one of the categories referred to in paragraphs (a) to (h)*

When this condition applies, the organ of state must make available to the winning tenderer a list of all suppliers who are entities which are EME or QSE and are at least 51% owned by black women. Importantly, the list should contain only registered EME's or QSE's on a database approved by the National Treasury to provide the required goods or services. The winning tenderer must thereafter select the entity to sub-contract with from the list provided by the organ of state.

Regulation 4 of the PPPFA provides that state organs may apply pre-qualifying criteria to advance certain designated groups (such as black females). When pre-qualifying criteria are applied, the organ of state must advertise the tender publicly with the pre-qualifying criteria explained and a specific tendering condition that only tenders meeting pre-qualifying criteria will be accepted. The pre-qualification criteria are as follows:

- a) B-BBEE Status Level of contributor,*
- b) EME or QSE or on the basis of subcontracting with EMEs or QSEs which are 51% owned by either of the following: Blacks; Black Youth; Black Women; Black people with disabilities; Black people living in rural or underdeveloped areas or townships; cooperatives owned by Black people; Black people who are Military Veterans.*

Such pre-qualifying criteria promote the inclusion of female-owned enterprises in the economy by offering them the opportunity to provide goods and services to the State and thus contributing to the growth of their businesses. This then is one of the objectives of the state procurement policy described above, the promotion of enterprises owned by designated groups who have been victims of unfair discrimination. The measures described above are utilised to ensure the promotion and participation female-owned enterprises in the economy.

It does appear through the gathering of information from key informant discussions that these procurement rules are not always being effectively used to support female entrepreneurs to access opportunities, and that the male-dominated water sector is often presenting too many barriers to entry for these companies. These various challenges are explored in the next chapter.

3. BARRIERS TO ADVANCING FEMALE ENTREPRENEURS IN THE WATER SECTOR

There are a range of unique challenges faced by female entrepreneurs and female-owned businesses in South Africa in comparison to their male counterparts. Women, who represent 52% of the South African population, still suffer from historical and cultural prejudices in accessing opportunities; however, for black women, the combination of race and gender creates a double disparity, which further compounds the issues faced. While making this argument, it is important to put gender equality in its proper perspective, noting that ‘gains by women do not necessarily mean losses for men’ (Witbooi & Ukpere, 2011).

In recognition of this inequality, the Water Sector has made efforts to advance the participation of female-owned enterprises through efforts such as the launch of the Women Empowerment Programme. Despite the launch of such innovative programmes, sector-specific challenges persist that hinder the full and productive participation of female-owned enterprises. These challenges are pervasive at different levels and in different ways, with some challenges needing to be resolved outside of the Water Sector. In understanding these sector-specific and broader challenges, response actions can be identified and developed to mitigation these challenges.

The challenges identified here (Figure 4) are based on the summary of a high-level literature review, a review of the enabling framework that supports female entrepreneurship and broader; reflections of the female participants who had participated in the Water Sector Programmes, key stakeholders in government and private sector who supported/implemented the programmes and the WRC Reference Group. The identified challenges are by no means exhaustive but does provide insight into the complexity of the challenges faced by female entrepreneurs in the Water Sector, and highlights the sector’s scale of readiness.

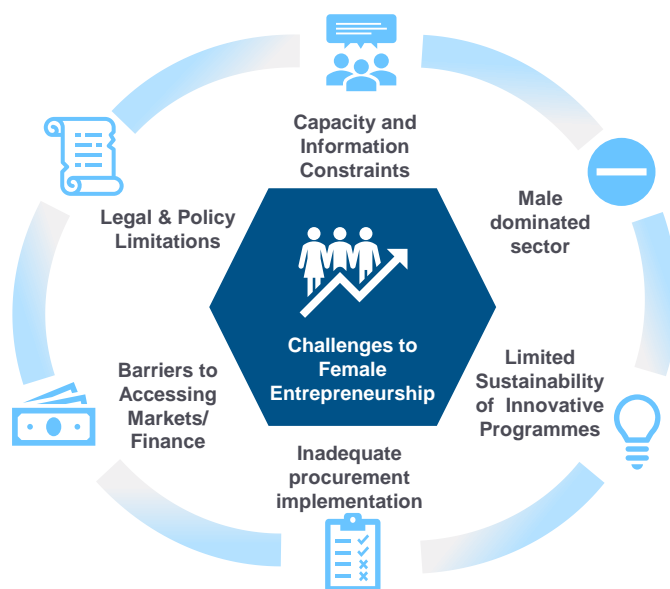


Figure 4: Challenges to female entrepreneurship in the water sector

These challenges can be categorised into six areas: i) Legal and Policy limitations; ii) Capacity and information constraints; iii) Male-dominated sector; iv) Limited sustainability innovative programmes; v) Inadequate procurement implementation and vi) Barriers to accessing markets/finance.

3.1. Legal and Policy Limitations

3.1.1. Role of customary law in advancing female entrepreneurs

Under South African traditional law, men and women have equal rights in the pursuit of economic opportunities. However, South Africa also recognises and adopts customary law practices, in which some practices continue to have implications on gender equality, particularly on women in rural areas where tribal law is practiced. Many of the women who participated in this study reside in Gauteng, and work and operate in the formal sector. However, it will be useful to understand the specific challenges that women who reside under tribal leadership face in accessing entrepreneurial opportunities. One such challenge could be a woman's right to own land in a tribal environment, which could then be used as collateral for accessing financing. If the customary laws do not allow for this, and the Constitution does, friction can occur, negatively impacting the female entrepreneur.

3.1.2. Absence of an entrepreneurship centric policy for females

Since the inception of the Constitution, various efforts and policies were designed to support and uplift women's status in society by enshrining equal rights for both men and women. There has been specific focus on promoting the advancement of women in the economic arena. Traditionally, woman is a household engine with various responsibilities entrusted to her right from child rearing, to cleaning and housekeeping. With improved access to education and healthcare, women have taken up a range of opportunities in different sectors. However, despite having the transformational frameworks and increases in participation, women and the rural poor still lag behind their male counterparts when it comes to participation in the economic sectors, and in particular, succeeding as entrepreneurs in the water sector.

There are a range of barriers that are placed, either directly or indirectly in the path of women, and having focused, coordinated, targeted, and holistic interventions are required. Women, and black women in particular, are considered one of the vulnerable groups in South Africa and unless there are specific female-centric policies to address specific needs and create equal and equitable opportunities, the advancement of female entrepreneurs will continue at a slow pace, and consequently, South Africa's transformation agenda will not achieve its desired outcomes and impact.

The Organisation for Economic Co-operation and Development (OECD) study on Policies to Support Women's Entrepreneurship Development in the MENA Region stated that enterprise policy frameworks that specifically represent women, were a critical launching pad for fostering female enterprises (OECD , 2012).

Currently, no entrepreneurship-centric policy for females exist in South Africa, nor in the water sector. The primary aim of the policy would be to bring about the advancement, development and empowerment of female entrepreneurs. The development of such a policy will recognise female entrepreneurs as target groups that can catalyse and develop the small to medium sized enterprise sector. The absence of such a policy impacts on the effectiveness of drawing female entrepreneurs into the sector and the ability of the sector to provide the specific support required by new and emerging female entrepreneurs. For example, a female centric policy can provide the backing and imperative for women to be bolder in seeking financial support from lending agencies and provide lending agencies with the mandate to support female entrepreneurs in a more holistic way. Access to financial support is key for establishing businesses as well as improving the productivity and sustainability of a female led businesses. Therefore, the nonexistence of such a policy does not create the enabling environment for high-potential female enterprise

development in South Africa. More broadly, this type of policy would help drive national objectives towards gender equality and improve the participation of females in the national economy, and go beyond the water sector (OECD , 2012).

3.1.3. Understanding the point allocation system in the water sector procurement policy

The current public sector procurement framework is based on a point scoring system, which may inadvertently impact on opportunities for female entrepreneurs. Public sector procurement provides for the evaluation of tenders out of 100 points score. A maximum of 10 to 20 points is allocated on the empowerment status of the tendering entity. The remaining 80 or 90 points is allocated to points scored for the price of tender, which is strongly underpinned by technical capacity ratings.

Considerations should be made by water sector procurement and supply chain management officials as to whether the allocation of points set aside for female-led tendering entities is sufficient to improve their participation in sector opportunities. Whilst the necessary skill set and qualification will still be required, it is important to understand and identify specific opportunities that may be solely for female entrepreneurs.

3.1.4. Limited translation of policy and legal instruments into implementation

South Africa has a strong enabling framework, however, like many other areas in Government, the limited implementation of, and in some cases, lack of implementation of these frameworks hinder the strategic intent of the country to achieve transformation. A key driver of the limited implementation is the lack of key guidelines and protocols that translate these framework instruments into pragmatic, and accessible documents that can be easily actioned on the ground. A critical component is buy-in and ownership of the implementation agents, together specific roles, responsibilities, budgets, and timeframes.

3.1.5. Siloed approaches and limited coordination for female-empowerment

Addressing gender and improving female empowerment is central, not only to the Constitution but is also highlighted in several legal and policy instruments. Institutionally, dedicated line functions exist (Figure 3) in different Ministries, but they operate in a siloed manner. The water sector has a dedicated Gender and Disability Mainstreaming unit, whose mandate is to implement the gender strategy for the sector, however it is an under-resourced directorate, with several competing demands.

Limited communication between the water sector organs of state and the other Ministries also exists; each with different and siloed approaches to try and tackle the issue of improving transformation. This lack of a coordinated and aligned approach does not help to strengthen the female entrepreneurs' capabilities in business operations and management processes. As a new and emerging female entrepreneur, it becomes difficult to navigate this space.

It is paramount that there is improved coordination in approach, communication and access to information to ensure clarity as to where female entrepreneurs can go to access information, and access opportunities specifically in the water sector. Emerging female entrepreneurs experience "entrepreneur fatigue" from having to knock on many doors, which as a result may frustrate some female entrepreneurs increasing the chances of failure before reaching/accessing the opportunities.

3.2. Capacity and Information Constraints

3.2.1. Obstacles to achieving basic education and training

A number of studies suggest that women entrepreneurs are limited by the lack of relevant education and training, compared to their male counterparts. According to (Lebakeng, 2008), one of the main issues women entrepreneurs face in South Africa is the lack of education and training. The low levels of skills and education may be attributed to the school dropout crisis at different levels in education. The education sector was reported to be facing high rates in repetition, failure and dropout within schools in South Africa. Financial constraints and poor performance were highlighted by youth as the reasons for school dropout. According to the “Higher Education and Skills in South Africa” report released by Statistics South Africa, 51% of youth aged 18-24 claimed that they did not have the financial means to pay for their tuition; while 18% of those aged 18-24 who were not attending educational institutions indicated that their poor academic performance prevented them from participating (StatsSA , 2017).

3.2.2. Limited accessible information to promote sector understanding

It was highlighted that a few of the female entrepreneurs that were interviewed actually started out in a different sector, and whilst they had the business skills, they were unable to translate those successes in the water sector, partly because the water sector is a complex sector and navigation is not easy. With a lack of understanding of the water business and its value chains, not knowing where the opportunities exist, nor at which level of government, female entrepreneurs continue to struggle to access opportunities when they arise.

Finding information in an accessible manner is also lacking, and there is single platform that provides this level of support. Due to the fragmented nature of the enabling framework and the institutional mandates, no consolidated approach or coordinated information management exists.

3.2.3. Limited pragmatic opportunities to develop business acumen

Even though women are strongly linked to the water sector from a gender dimension, the link between women, water and business remains weak. Even though there have been shifts in access to education, women do not have sufficient managerial and business experience, as compared to men, to effectively advance them in the entrepreneurial world. McClelland et al. (2005) cite the lack of managerial experience as one of the major obstacle’s women entrepreneurs must overcome. According to (Coleman, 2007), women are less equipped for business ownership in the areas of human and financial capital. Women are less educated in business disciplines and are limited in terms of management experience (Agholor et al., 2015).

Without this strong business acumen, irrespective of the sector, young and emerging female entrepreneurs will not advance at a rate comparative to their male counterparts. For young and emerging female entrepreneurs, training would need to happen at multiple levels and stages of their business and be a continuous process of learning and doing. This would support the development of strong business acumen that would strengthen success of the female entrepreneur.

Government has tried to create platforms to catalyse opportunities, even if more can be done to communicate these opportunities, female entrepreneurs must be able to recognize these opportunities and look for creative ways to participate. For the more advanced female entrepreneur, they must

understand which “arena” they operate in, understand the markets, and be able to articulate their business plan.

To do this effectively in the Water Sector, an understanding of business in the sector and how to cost business opportunities is key. Many female-owned enterprises are seen to either under-price or over price their services and, as a result, lose out on many procurement opportunities. This can be attributed to lack of exposure to procurement opportunities, sector-specific information and networks that will guide them on how to determine the most competitive price for a contract. The limited knowledge in female entrepreneurs to accurately cost their services can also be linked to the fact that most female entrepreneurs are new entrants. As a result, they do not possess the experience and exposure required to understand how projects of a specific nature should be priced.

3.2.4. Monetary constraints

Young and emerging female entrepreneurs also experience monetary constraints that may limit their attendance at key capacity building events, or tender briefings due to the cost of childcare and transport. In addition, some procurement opportunities come with an application fee, this fee together with the costs of printing and hand-delivering a large tender document with multiple copies impacts new and emerging female entrepreneurs. Larger, more established businesses have the resources to absorb these costs, however, for a new and emerging female entrepreneur, these costs stack up, especially if tenders are pulled and re-advertised. There was a call to consider transferring these processes to online processes and simplify the tendering process.

3.2.5. Limited platforms for business development in the water sector

The water sector has limited platforms that appraise and coach female entrepreneurs on skills required to participate on upcoming employment opportunities meaningfully and competitively. Female entrepreneurs who want to gain information and support on how to improve their competitive prospects in pursuing opportunities in the water sector must move outside of the water sector to gain such information. Even when this occurs the information received is not comprehensive and only touches on basic business management.

The WIW Programme focussed on specifically on construction, however, there are a range of other opportunities, at national, provincial, and local level where female entrepreneurs can have impact. These opportunities that exist have not been articulated anywhere and the roadmap to accessing opportunities in the water sector, at different spheres, remains elusive.

3.3. Male Dominated Sector

3.3.1. Difficulty in breaking into existing and new markets

The water sector is, traditionally a male-dominated sector, particularly when it relates to business opportunities. For female entrepreneurs, this is a significant hurdle to overcome, both in existing and new markets. The primary reason is that established business associations and networks are favoured over new and emerging entrepreneurs. Not enough has been done to consider the development of new pathways to access markets and gain experience, especially for the new and emerging female entrepreneurs.

On paper, the water sector has seen an increase in the number of female entrepreneurs that have benefitted from different opportunities. However, there is a sense that many of these opportunities are in the catering and cleaning services areas, that is peripheral to the water business.

Innovation funders are also locked up the traditional way of doing business, by also partnering with established businesses. Currently, there exists no female-led or owned manufacturer in the water space, which presents an opportunity to advance female entrepreneurs, however, the necessary skill set are still lacking and there is little incentive to promote using emerging entrepreneurs.

There is a range of skills and training that is required that will enable female entrepreneurs to advance in the water sector, however, this must be holistically supported, otherwise the efforts will not yield the desired results in improving access to economic opportunities and empowering women in the water sector.

3.3.2. Gender and social norms still dominate

Social and gender norms significantly influence the decision-making of female entrepreneurs and can affect the sector in which they operate. Women have different and additional considerations above those of their male counterparts due to persistent social, economic, cultural, and/or legal inequities (Hallward-Driemeier, 2013). For example, women continue to perform most of the housework in South Africa and continue to be the primary care-giver of children. This time spent on non-productive work reduces the time available to dedicate to accessing finance and information that would help growth and develop of their businesses (World Bank, 2019).

According to Richardson et al. (2004) women owned enterprises suffer from material limitations owing to the general negative attitudes society has placed on women engaged in business. When women engage in similar ventures usually dominated by men, there is a general attitude by society to see such women as 'less of a woman' which creates limitations for their success as they do not receive the support, they need from society to do so.

Witbooi & Ukpere, 2011 argued that women venture into business merely to supplement family income, owing to their reproductive role in the society. It is further argued by Kibera and Kibera (1999) that women tend to see entrepreneurial activities only as survival strategies. These sorts of attitudes by women are regressive to women-owned enterprises. Change is required to address the attitudes embedded in society as well as in traditional institutions and structures which act as bottlenecks to women making it as entrepreneurs.

Many women entrepreneurs are familiar with discrimination and family constraints in an often male-dominated business environment. In their study on the exodus of women executives and professionals in large organisations, (Buttner & Moore, 1997) observed that 'glass ceiling and discrimination' in the corporate world hindered progression of female careers. The study highlighted organizational dynamics and discrimination as hindrances to women's career advancement. These dynamics also apply in businesses which are usually male dominated, making it difficult for female entrepreneurs breaking into the same space. A study by Agholor et al. (2015) revealed that some women considered it challenging to start up a business in a male dominated environment, whereas others considered family constraints as key inhibitors to women-owned enterprises, such that family-women tend to opt for striking a workable balance between family and their business/enterprise, in comparison to their male counterparts.

In a bid to understand motivational factors for female entrepreneurs, (Buttner & Moore, 1997) found that the desire for challenge, self-determination and the desire to balance family and work responsibilities were what motivated the female entrepreneur.

3.4. Limited Sustainability of Innovative Programmes

3.4.1. Lack of structure and guidance around water value chain opportunities

Aforementioned, the water sector is complex to navigate, this becomes even more complicated when, whilst economic opportunities exist in the sector, they are not clearly mapped out in a way that improves participation of female entrepreneurs.

For instance, within the water sector, opportunities for female entrepreneurs can exist in the broader strategic water resource management and development, planning and implementation interventions. Equally important are opportunities for the provision of safe drinking water, sewage disposal, wastewater treatment, toilet facilities and sanitation. These opportunities can be both within urban and rural environments in South Africa, so that opportunities can be access by women around the country. Furthermore, opportunities for female entrepreneurs also reside in the delivery, operation, and maintenance of water services infrastructure. This structured guidance will support female entrepreneurs in their navigation of the sector and can assess their ability to effectively deliver in different parts of the value chain.

The agricultural sector utilises approximately 70% of the water in South Africa, with water being a key input into the sector, there are most likely a myriad of opportunities here for female entrepreneurs. However, these are not clearly mapped out.

Female entrepreneurs may also miss out on opportunities if they are not willing to partner with existing mature businesses, to learn on the job and recognize the opportunities as they arise.

3.4.2. Piece-meal mentorship programmes

There have been several great initiatives, by the WRC and the DWS, however, the uncertainty in the “next steps” has led to stop-start approaches, losing the momentum gained with these initiatives. Some programmes have ended due to the lack of financial support. In addition, the economic crisis has impacted on private sector’s ability to absorb the female participants in these programmes in a meaningful way.

3.4.3. The “fly-by-night” entrepreneur

Being an entrepreneur, to many people, may appear to be glamorous, however, the road to success is paved with hard work and dedication. The programmes that were implemented by the DHSWS and WRC, did have some female entrepreneurs who were not committed to the programme and lacked the knowledge of what true entrepreneurship means, and viewed this as an opportunity to “make a quick buck”. This had negative consequences on the implementation of the programme, as these entrepreneurs eventually became destructive. A strong lesson was learnt by the Water Sector around screening of applicants that are submitted into entrepreneurial programmes.

3.4.4. Limited social networking

The water sector currently does not have a lot of opportunities and programmes run by government or organs of state that are aimed at specifically supporting female entrepreneurs. Government and organs of state have a critical role to play in raising awareness and providing useful platforms and guidance on how female-owned enterprises can participate in the water sector. According to OECD (2012), awareness raising platforms such as conferences can contribute to a positive shift in societal perception about the role of women in the economy by challenging stereotypes and reinforcing the social legitimacy of their role as entrepreneurs. Additionally, the platforms provide role models and can inspire more women to consider entrepreneurship.

Platforms such as the annual Inkomati Basin Women in Water Conference, the Women in Water Awards all raise the profile on women in the water sector, but also provides a mechanism through which female entrepreneurs can build the social platforms and networks. Unfortunately, some of these platforms no longer exist.

The sentiment to reignite or establish platforms promoting female entrepreneurs was also emphasised during the stakeholder engagements with key informants. Interviewed stakeholders highlighted that platforms for promoting female entrepreneurs are vital for facilitating the creation of relationships amongst female entrepreneurs. The stakeholders highlighted that the platforms also help facilitate cross learning between female entrepreneurs.

Currently the water sector does not have a dedicated place or platform which informs female entrepreneurs about entrepreneurial opportunities available in the water sector value chain. Lack of these platforms has created limited knowledge amongst entrepreneurs regarding ventures they can pursue in the water sector. Moreover, this has resulted in the water sector being termed mysterious by many entrepreneurs as a result, it has not attracted female entrepreneurs. In turn has propagated the status quo regarding enterprises operating in the sector.

Social capital is derived from business connections, family ties, friends, churches, schools, professional associations, and the like. For small businesses, access to formal business networks is key to greater success, both in terms of start-up and growth (NWBC, 2009).

3.4.5. Limited awareness around initiatives being undertaken to advance female entrepreneurs

To date, water sector organs of state have unlocked a few opportunities that support female entrepreneurs and female-owned enterprises. In addition, the water sector organs of state are currently only relying on traditional means to advance female-owned enterprises namely the existing procurement policy framework. As noted earlier, the procurement policy framework is also restricted when it comes to supporting female-owned enterprises. The reliance on traditional approaches and restraints in spearheading opportunities to support female entrepreneurs in the water has created the impression that these organs of state lack the agency at transforming the face and gender of enterprises operating in the water sector.

Despite this impression, it bears mentioning that these organs of state are committed to empowering female-owned enterprises and female entrepreneurs. This study is testament to the commitment. Furthermore, the WRC has through its research calls set aside a certain number of projects whose project managers must be female and from previously disadvantaged groups. This approach however has some

limitations, for one it does not guarantee nor verify that the female project manager owns the business. However, it serves to demonstrate a bold commitment from the WRC as a member of the water sector and also cements the pledge of the water sector organs of state to promote the participation of females in water sector.

3.4.6. Limited political will to drive longer-term planning

One of government's responses to the challenges faced by female entrepreneurs in the water sector was the launch of the three-year Women Empowerment Programme (WEP). The programme aimed to contribute to the national transformation agenda by addressing the exclusion of women in water sector entrepreneurial opportunities. The programme involved the deliberate positioning of identified women for inclusion in entrepreneurial opportunities in the water sector, by providing the necessary skills transfer, mentorship, capacity building and training, financial support and improved exposure to opportunities from which they could benefit. The programme consists of three projects:

- Women in Water Entrepreneurship Incubator Project;
- Mentorship Project;
- Women in Water Forum.

Although the project revealed the urgency in improving the inclusion of female-led enterprises in the water sector, there were challenges facing female entrepreneurs in the sector. In August 2018, while celebrating Women's month in South Africa, President Cyril Ramaphosa acknowledged that the face of poverty and suffering is still worn by the women of South Africa, and that they are neglected in the provision of government services and overlooked by the business community. In acknowledging this status quo, the timing of this project in evaluating government readiness for female entrepreneurs could not have been more right. It provides an environment of political willingness to address gender inequities in South Africa. While work has been done looking at the challenges facing women entrepreneurs in the country generally, little has been done around understanding the readiness of government, a key player in providing work for female entrepreneurs, to receive, support and promote female entrepreneurs. It is this area, within the water sector, that this study seeks to examine and to provide recommendations.

Whilst the intent to empower female entrepreneurs in the water sector was supported through the various water sector programmes, the limitation was the ability of the programme to shift and transition to ensure the success of the women post the programme. This transition is critical to move these initiatives beyond "project" stages but get them to link together as part of a longer and broader programme on the advancement of female entrepreneurs.

3.5. Inadequate Procurement Implementation

3.5.1. Misinterpretation of the procurement policy

Stakeholder engagements revealed that misinterpretation of policy created difficulties in implementing the full procurement policy, which does allow for the empowerment of enterprises owned by designated groups, including female-owned enterprises. It had emerged that there have been instances where the implementation of Regulation 4 (1) of the PPPF Act was not fully understood or misinterpreted.

The Regulation states that if an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender outlining the specific criteria. These criteria can include, amongst others, the following:

(c) a tenderer subcontracting a minimum of 30% to-

- (i) an EME or QSE which is at least 51% owned by black people;*
- (ii) an EME or QSE which is at least 51% owned by black people who are youth;*
- (iii) an EME or QSE which is at least 51% owned by black people who are women;*
- (iv) an EME or QSE which is at least 51% owned by black people with disabilities;*
- (v) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;*
- (vi) a cooperative which is at least 51% owned by black people;*

The specific pre-qualifying criteria regarding black women is seldom implemented, and is a useful instrument to promote female empowerment within the water sector.

It also emerged that many organs of state do not fully understand that the pre-qualifying condition can be applied even if the tenderer meets the minimum B-BBEE status level and is a QSE or EME. Should the contract be of a certain value, the pre-qualifying criteria may be applied.

This misinterpretation has resulted in many organs of state being hesitant in applying Regulation 4 for fear of receiving a *negative audit finding*, thus hindering the advancement of female entrepreneurs in the water sector. Additionally, the round table workshop revealed that water sector organs of state rarely advertise procurement opportunities with a clear tendering condition stating clearly that tenderers will be subject to pre-qualification.

The recent report by the Water Integrity Network on “Money Down the Drain” has clearly shown how the rules of procurement have been floated to support corruption (Mueller, 2020). This provides even stronger evidence to support procurement officials in understanding the rules and regulations outlined in these policies.

3.5.2. Lack of a guidance on translating procurement rules and regulations

The lack of specific guidance for supply chain and procurement managers in understanding how to adopt and adapt the procurement policies outlined in the enabling framework has impacted the full and appropriate implementation of the procurement policies, thus creating a roadblock for female entrepreneurs. For instance, Supply Chain Management and bid specification committees should know when and how to apply the pre-qualifications.

Equally, female entrepreneurs should be empowered to understand these policies and their application, so they can also position themselves to fully benefit from the opportunities that may exist.

3.6. Barriers to Accessing Finance

3.6.1. Limited access to capital/seed funding for female entrepreneurs

Financial services continue to be largely racially defined in South Africa, there is also a gender gap between men and women that is skewed against the latter. As highlighted by (Department of Trade and Industry, 2001), most women who aspire to get a loan from banks do not have the skills required to structure a qualifying business plan to support their application. Verheul et al. (2004) argued that there is a hesitance by financial institutions to loan money to early-stage businesses owing to the high risks involved and the lack of a track record, which is often the case with business start-ups for women. Agholor et al. (2015) noted that women encounter more problems in obtaining finance through the regular channels, because of their frequently less favourable business outline for investors.

Such financial challenges are detrimental to the survival of businesses owned by black women who form the largest single self-employed segment of the population. The combination of race and gender disparities in South Africa is detrimental to black women venturing into entrepreneurship, further compounding the burden of poverty on women driven by low income levels. Most financial institutions require some sort of collateral to secure a loan. Typically, this means a fixed asset in the form of a land title or property deed. In many countries, however, women do not own or have rights to land and therefore lack the collateral with which to secure loans and thus do not obtain the necessary seed funding to grow their business.

Even when women have access to collateral and would qualify for financing, they are still declined. The lack of track record plays a role, also bias on the part of the financial institutions who assume that investing in female entrepreneurs are high risk, even if there is no evidence to support this assumption (IFC, 2014).

3.6.2. Missed opportunity with state-funding

South Africa has various state-owned funding institutions (i.e. SEFA, IDC, NEF) which utilises diverse funding mechanisms to support female enterprises. However, the challenge is that each institution has their own rules for accessing financing and new female entrepreneurs don't always have fully understand the product or services offered by each of these funding institutions. Due to this limited knowledge, female entrepreneurs miss out on these opportunities which, in some cases have dire consequences for their businesses. Female entrepreneurs end up either folding their business or seeking financial support from private banks that charge higher interest rates and do not offer grants, unlike some state institutions.

3.6.3. Lack of dedicated funding/financing for female entrepreneurs

One of the major factors limiting the size and growth of women-owned businesses and preventing them from reaching their full potential is lack of tailor-made financing. The financial solutions offered by private bank cannot be easily tailored for the specific needs of female entrepreneurs. The banks offer a one-size-fits-all product, that may not be suitable, especially if they perceive female entrepreneurs to fall in the micro-enterprise category, which would only qualify them for a micro-sized loan. This impacts the ability of the female entrepreneurs

Ernst & Young (2009) have demonstrated that having working capital will affect the success of a business. Taking the above into consideration, it is easy to see how female entrepreneurs, who may have started their business with low capital and limited financing, have not been able to grow substantially.

Gender responsive budgeting should be undertaken by the DHSWS. However, if this is not implemented in the way the water sector conducts its business and procures its services, female entrepreneurs will have limited advancement.

4. A TRANSFORMATIVE FRAMEWORK FOR PROMOTING FEMALE ENTREPRENEURSHIP IN THE WATER SECTOR

There is a clear understanding that access to economic activities within South Africa are not equal, with this inequality having significant impacts on how women are able to develop and sustain business opportunities. The importance of taking structured action to redress the various barriers to entry is emphasised in policy, legislation, and key strategic instruments such as the NDP. In this regard, both the public and private sectors have a meaningful role to play and should in fact work conjunctively towards this objective of unlocking female entrepreneurship.

The water sector does provide a range of opportunities across the water value chain (Figure 5) to enable the empowerment of female entrepreneurs. This includes the development of water sector knowledge (through working in the public sector), through contractual work to public sector institutions (undertaking various support projects that may be political, technical, strategic, social, economic, operational or institutional in nature) or through developing and using water resources and water supplies to support economic activities.

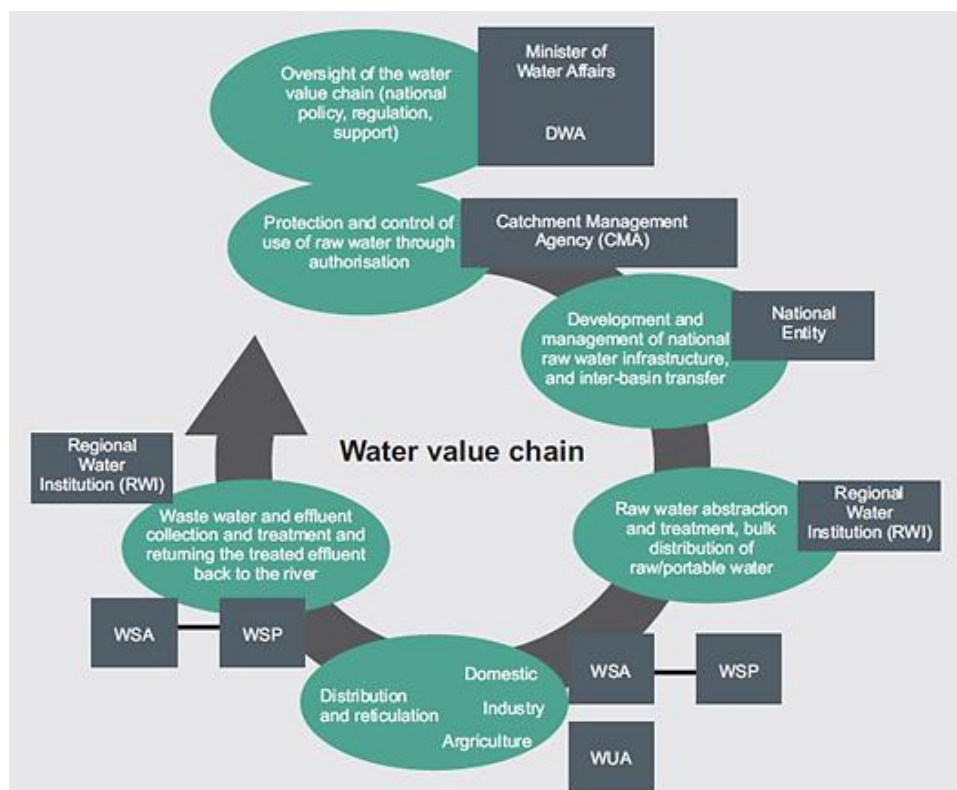


Figure 5: Water value chain and the institutions that oversee and manage this (DWS, 2013)

This does require that water sector institutions look internally at their policies, strategies, programmes, and procedures that support the development of opportunities for female entrepreneurs externally.

Noting the challenges that have been highlighted, and the complexity of the many interventions that could be taken to support the advancement of female-owned enterprises, there appears to be four key opportunity areas that when addressed together form a transformative framework for empowering female entrepreneurs.

These opportunity areas being: 1.) Strengthening the legal and policy frameworks; 2.) Building capacity and training; 3.) Supportive procurement; and 4.) Support business development (Figure 6). All these

opportunity areas need to be addressed and the interaction between these areas need to be understood and leveraged in order to affect the empowerment that is required in the water sector.

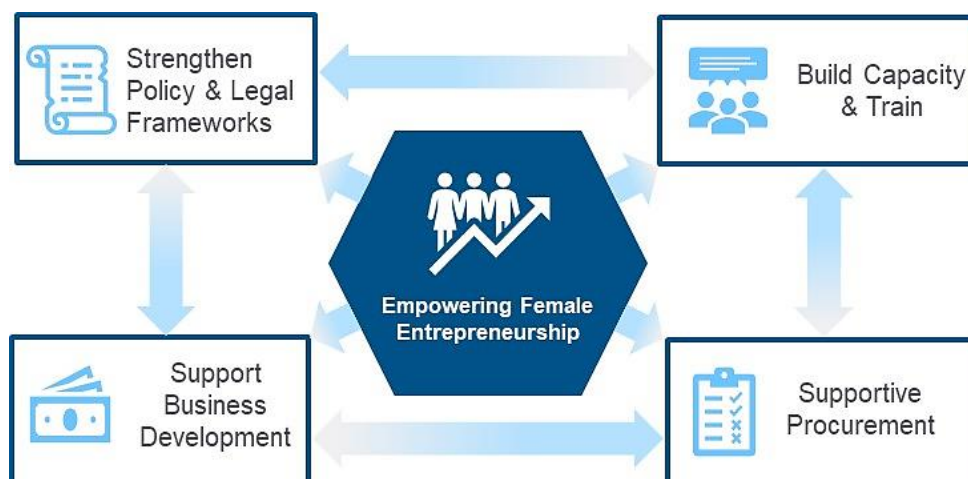


Figure 6: Opportunities to advance female entrepreneurship in the water sector

4.1. Strengthen policy and legal frameworks

4.1.1. Entrepreneur centric policy

Given the water sector’s commitment to empowering female entrepreneurs and female-owned enterprises alike, it is important for the water sector to have a policy that responds to this commitment. There is an overarching transformative framework that aims to redress gender discrimination and provides a foundation for furthering female entrepreneurship; however, this is not specific enough. The development of an entrepreneurship centric policy for females will provide a more directed and structured approach to empowering these businesses and in effect would formalise this framework as well as provide the basis for the development of strategy and supporting implementation plans that will be monitored to enable performance evaluation.

The water sector policy will outline as an opportunity analysis the various opportunities for female entrepreneurs across the water value chain. The approaches to building the necessary capacity and supportive procurement environment to facilitate access to these opportunities will also be described.

4.1.2. Linkages to other policy instruments

The aim of this policy would not be to address some of the larger “meta” issues as this requires a broader governmental response, but nonetheless it will be imperative to refer to these and the need to redress these blockages. It will also be imperative that this water sector policy makes appropriate linkages to other sector policies that support female entrepreneurship, with the possibility of coordinated approaches.

4.1.3. Strengthening legal instruments

In laying out the core approaches of the water sector policy, it will become apparent that certain legal instruments may require improvement or adjustment to support the approach. This could for example include the development of supporting regulatory instruments that enhance procurement of female-led

businesses or regulations that support such businesses in gaining access to water use authorisations for productive purposes and addressing issues with women's land rights under customary law.

4.2. Build capacity and train

4.2.1. Create opportunity awareness

Awareness raising around the opportunities for female empowerment across the water value chain and the policy approach of the water sector towards directed action is important and needs to be communicated through a range of media. This should include informing, through more active engagement, the broader spectrum of stakeholders mandated to promote female empowerment. Sharing this information, creates the required understanding to trigger innovative thinking around solutions that aim at making policies work for the benefit of the women.

4.2.2. Water sector institutions as incubators for new entrepreneurs

It is important to recognise that the Department of Human Settlements, Water and Sanitation and the various water sector institutions provide invaluable opportunities for women to develop their skills and understanding of the water sector. Programmes to develop women in key functional areas of the water value chain should continue to be supported and be further strengthened noting that frequently these staff will leave the public service to join the private sector, often becoming consultants to the public sector. There have historically been some indications that this transition is not supported but is invaluable in developing female-owned and managed businesses.

4.2.3. Ensuring access to water use

It is within the mandate of the DHSWS and certain water management institutions to support access to water resources for productive purposes. Within municipalities, female-owned business can readily access water supply, however, where raw water is used a water use authorisation is required and DHSWS is the responsible authority to issue these authorisations. There is clear policy with regards to supporting the redress of female discrimination through these authorisations. The DHSWS has in recent years undertaken a significant number of Verification and Validation studies to understand the status of water use authorisations and the associated water use. It is therefore, necessary to take stock of how much of this water use is being undertaken by female-led business and to then develop a strategy (possibly linked to allocation reform processes) as to how future allocations will be made to support female-owned business.

4.2.4. Building technical capacity and skills

Whilst water sector institutions do provide a useful learning ground for women water practitioners there equally needs to be effort to build technical skills from university level through to a range of technical internship programmes. The development of a programme that prepares women for job readiness would assist in getting these new entrepreneurs started in their careers and would require a partnership between public and private sector actors. Towards this end there are several steps that require due consideration.


Revisit the bursary and internship programmes

Taking stock of these initiatives to understand how effectively they are supporting women to gain access to the water sector is important. This provides an opportunity to make improvements that are targeted towards getting women water practitioners into what is a largely male dominated sector. Identifying

specific work-areas of the water value chain to encourage the development of technical capacity in women would be equally important and this can be supported by focused bursaries and internships. Whilst this could be largely focused on public sector institutions, there are ways of bringing private sector businesses into this, most specifically to support technical internships.

Support platforms promoting female skill development

There are opportunities to support platforms that facilitate cross learning, exposure to new and innovative thinking and the development of technical skills. Having these specifically focused open women water practitioners not only provides an opportunity to learn and develop understanding, they equally provide the platform for the creation of networks that are immensely useful in supporting business development. Conferences hosted by WISA and WomEng can be powerful in creating these developmental opportunities.


<p>GOOD PRACTICE</p>  <p>EXAMPLE</p>	<p>ANNUAL INCOMATI BASIN WOMEN IN WATER CONFERENCE</p>
	<p>The annual Incomati Basin Women in Water Conference² (IBWiWC) established by the Inkomati-Usuthu Catchment Management Agency (IUCMA) in 2015, is a platform intended to promote the participation of women in Integrated Water Resources Management (IWRM) at basin level and support inclusive water resources planning and management, towards equitable utilisation and beneficiation from water resources.</p> <p>The 2nd annual conference whose theme was <i>‘Leaving no one behind putting women in the forefront of Sustainable Water Resources Management’</i> was held in Nelspruit from 10th to 12 March 2019. The intention was to:</p> <ul style="list-style-type: none"> i. Create a platform for stakeholders to present and share their findings and experiences on the impact of climate change on their water use and manage to; ii. Give an opportunity for women active in the water sector to present the identified challenges and to explore and share solutions to these challenges in a practical and integrated manner; iii. Discuss ways to achieve efficiency in the implementation of IWRM iv. Define alignment and integration between sectoral goals and those contained in the National Water Resource Strategy 2 (NWRS2), the IUCMA Catchment Management Strategy (CMS) and other planning tools and frameworks adopted by the other partners. <p>Source: IUCMA, 2019</p>

Develop technical partnerships

The competitiveness of the private sector cannot be ignored and as such most businesses look to develop competitive and comparative advantage. However, most businesses have core focus areas and look to partner companies to provide additional skills that are not core. Encouraging and facilitating partnerships between female-owned businesses and the more well-established water sector businesses should be encouraged to assist in developing technical understanding and in gaining experience and exposure. The procurement process can be used to encourage this, not only through the use of the scoring system but also through the Terms of Reference or the contract negotiations to require a company to add in a

² IUCMA Incomati Basin Women in Water Conference (IBWiWC), 10-12 March 2019. Draft Concept Document Framework for the Empowerment of Female Entrepreneurs in the Water Sector

“mentor” that can assist in providing technical guidance. Using platforms such as the Strategic Water Partners Network (SWPN) to facilitate what would be business to business technical mentorships could also be immensely useful. Lastly, the WRC also has the opportunity through its research projects to assist in giving project teams guidance on technical mentors that can assist in project delivery.

<p>GOOD PRACTICE</p>  <p>EXAMPLE</p>	<p>BUDDY/MENTOR PROGRAMME IN THE AGRICULTURAL SECTOR</p>
	<p>Potatoes South Africa and South African Pork Producers’ Association (SAPPO) have respectively adopted buddy/mentor programmes to help emergent farmers. Through the programmes the respective organisations facilitate the linking of the emerging farmers with commercial farmers (buddy/mentor-farmer).</p> <p>For emerging farmers to qualify for the Potatoes South Africa programme, famers must have an adequate background in farming, access to at least 20 ha of arable land, a business plan and access to irrigation. In order to qualify for SAPPO support, emergent farmers require adequate access to suitable land, on-farm infrastructure (including biosecurity), water and funds for feed and other production inputs. SAPPO provides formal training at a facility in KwaZulu-Natal.</p> <p>A mentor can provide tailored business and technical advice, help set and meet ambitious targets, provide market information, and facilitate linkages, promote knowledge sharing and cooperation, and help entrepreneurs identify and take advantage of finance opportunities. The entrepreneurs should be paired with a mentor they can build a strong working relationship with. In addition to individual mentorship, additional group training can be useful to reinforce and build on these more introductory concepts. It is key that this business, empowerment, and leadership training is built on and supported over time to be really effective.</p> <p>Source: De Klerk, M. et al., 2013 & Shankar, A. and Smith, G. 2016</p>

4.2.5. Building business management skills

There is significant evidence that reflects that female-led business have not only a different approach to business than their male-owned counterparts, but that also many of these companies do not have the business experience to effectively engage in the competitive market. With the water sector being more open about the opportunities (Section 4.2.1) female-owned businesses can start to engage with these and explore the value-add that they can bring to these elements of the water sector. However, developing the business acumen may require training, as well as support and guidance.

Private sector businesses will have to invest in themselves to develop these competencies and will need to be mindful in recruiting staff that can support the business development. These businesses can set up their own suite of partnerships and social media groups that also help them to develop their business model and approach to work acquisition.

Equally, there are opportunities to support these businesses to develop the abilities to engage in the competitive market.

Use existing institutions

There is a range of existing institutions that can be leveraged to provide business development support to female-led businesses and includes Chambers of Business as well as certain industry associations. Many of these do provide on-line information and guidance material, although some of this is not always supportive of the emergent female-led business and the more marginalised communities will find some of this material difficult to engage. In this regard, the Water Institute of South Africa can play a very directed role in supporting these emergent businesses through training interventions, by providing some advisory support as well as linking new businesses into the wider network of water sector businesses.

GOOD PRACTICE  EXAMPLE	SOUTH AFRICAN WOMEN ENTREPRENEURS' NETWORK (SAWEN)
	<p>The DTI identified and adopted South African Women Entrepreneurs' Network (SAWEN) to fast-track support provided to women in addressing challenges faced when establishing, strengthening, and sustaining their enterprises. SAWEN is a membership organisation with a mandate to represent and articulate the aspirations of all women entrepreneurs who operate within the South African SMME sector.</p> <p>Support services under the banner of SAWEN programme include:</p> <ul style="list-style-type: none"> ▪ Effective network forums; ▪ Training and capacity-building programmes; ▪ The provision of pertinent business information and advice that leads to business opportunities; ▪ Facilitating trade missions and exposure to global economy; and ▪ Maintaining a reliable database of South African women entrepreneurs. <p>Source: DTI, 2011</p>

Establish business management platform

South Africa has a number of institutions that are mandated to support entrepreneurship development especially when it comes to business management. However, these institutions may fall short at times as they are not sufficiently capacitated to handle water sector related business management and information questions. The establishment of a water sector business forum would provide significant opportunity for:

- Understanding the status of the sector and how this has impact upon future business opportunities;
- Exchange on challenges for the private sector to engage with public sector opportunities;
- Develop a shared understanding of the procurement rules and regulations and how these are being applied to support private sector engagement and to support the development of female-owned business; and
- Develop a sound working relationship between the public and private sectors in supporting the water sector.

This forum can be used as a platform for exchange on business development for female-owned businesses and can be a hub for supportive information exchange. Noting that many business development support platforms are in specific geographies, the development of a supportive information exchange platform for the water sector business forum will be imperative for those businesses that are geographically remote. Therefore, the water sector business forum must establish accessible web-based or app-based portals to offer business management support and information to female entrepreneurs in the water sector. Through this information portal, links to other business support platforms and guidance information needs to be made.

A key element of enabling female entrepreneurship will be to support these businesses to access opportunities across the water sector. Whilst, the first two areas of the transformative empowerment framework are effectively preparing, the second two elements are about realising empowerment.

4.3. Supportive Procurement

There appears to be much that can be done to ensure that female-owned businesses can access opportunities to support the water sector. Despite efforts to enable preferential procurement to support these businesses, in an environment that is male-dominated, female-owned businesses are still finding it very difficult to gain that access. Several interventions are required.


4.3.1. Development of priority project opportunities

Noting that female-owned businesses will develop with time and increasingly build the competencies to enter different aspects of the market, it is possible on an annual basis to set out a programme that provides these businesses with the opportunity to develop. This development can be understood as having two key objectives, namely, to develop experience and technical capacity as well as enabling business growth.

To develop technical and project management skills, water sector institutions can annually determine a suite of priority project opportunities that are delimited for being led by female-owned business. It may well be that some of these projects cannot be completed in their entirety by these businesses, hence requiring partnership with other firms that offer the required technical ability. This type of teaming is no different from the way that consultancy firms develop an associate offering, however, the “ownership” and delivery management must be led by female-owned firms. It will be in the interest of all partners to ensure project success and to work collectively, with the female-owned business gaining valuable experience.

This will be supported by an incubator programme that allows water sector institutions to channel funds and set aside work for female entrepreneurs only. Establishing such a programme would help female enterprises to be at the forefront of opportunities whilst also supporting business growth.

When used conjunctively, there will be significant improvement in the probability of success of female-owned businesses. This programme will require active monitoring and reporting to capture key lessons and to support the improvement in approach to empowering female entrepreneurship. Ensuring resource availability to support these programmes will be essential.

GOOD PRACTICE  EXAMPLE	SEDA CONSTRUCTION INCUBATOR PROGRAMME
	<p>This incubator programme aimed at providing support to selected participants for a period of three years by which time each Emerging Contractor should have advanced by at least one financial level above their entry point on the CIDB register and be capable of operating unassisted in the open market. Should a particular contractor not wish to advance more than one CIDB financial grading, an alternative primary indicator will be agreed on, possibly “gross income or turnover” if multiple smaller projects are deemed to be the niche market of the particular contractor.</p> <p>The construction incubation model is one of the interventions, but not the only one that can make a significant impact to addressing the challenges faced by emerging contractors in South Africa. Most construction businesses (SMME) veto the services offered by the SCI as one of the solutions regarding skills shortage. There is consensus amongst most client bodies that the model offers a good strategy to assist emerging contractors. The level of formality the SCI model brings to the industry is also widely acknowledged and appreciated.</p> <p>SCI provides support in three phases of development of the emerging contractors; Tender Phase Support, Construction Phase Support and General Administrative Support. These three areas are critical in terms of the need for development and mentorship interventions. To date under current year in review, the Seda Construction Incubator supports 338 construction companies in South Africa.</p> <p>Source: (SCI, 2016)</p>

4.3.2. Improvement of procurement procedures

There is some discord with regards to the procurement procedures and how these can be effectively and appropriately utilised to support empowerment of female-owned business. Review and improvement of internal procedures will be essential and will provide the basis for the water sector to communicate these improvements together with the development of a female empowerment policy and an opportunity programme.

Revised tender specifications

The potential for revised tender specifications needs to be explored and engagement between the DHSWS Gender and Disability Mainstreaming Directorate with the SCM Directorate will prove critical in exploring approaches that are supportive of transformative procurement and are administratively rigorous. This will provide a viable opportunity for developing tender specifications that support gender inclusion and empowerment female-owned enterprises. Establishing discourse between the Directorate and SCM is critical for shifting the way in which procurement is undertaken.

Part of the required discourse will be to clarify interpretations of Regulation 4 of the PPPFA and to determine a way forward in this regard. This will most likely require the engagement of Auditor General’s office to reflect on the regulation and assist in documenting ways to ensure this does not challenge the approach to transformative empowerment. Once this has been resolved, it will be important for the Framework for the Empowerment of Female Entrepreneurs in the Water Sector

DHSWS to undertake a form of roadshow to host clarification workshops on the regulatory environment and the revision of tender specifications to support female entrepreneurial empowerment. This will need to engage with SCM staff across the various water sector institutions. The distribution of information and documentation to support this will be important and the National Treasury guidelines to support the implementation of the PPPFA 2017 Regulations will be a key document to share as well as providing a basis for these workshops.

Cross-sectoral/interdepartmental learning

Cross sectoral/interdepartmental peer learning on procurement policies can prove immensely valuable in garnering lessons on approaches that have proved successful in other sectors, thereby creating opportunity to mirror these aspects to improve water sector procurement processes and better programmes to ensure the inclusion of women. Developing a programme of exchange between line functions responsible for water sector transformation and SCM, within water sector institutions, will provide guidance in the revision of tender specifications and adjudication processes by highlighting successful approaches that have been used in this regard.

Monitoring for lesson-learning

Whilst monitoring and reporting are key elements of SCM processes, developing a focused approach on lesson-learning regarding the procurement of female-owned businesses will be essential. This will link to the implementation of the transformative policy and will support ongoing improvement in the policy.

4.4. Support business development

There are several intrinsic gender-based constraints in the business environment that hinder entrepreneurial development. These range from societal norms, to social and family obligations through to gaining support in developing a viable business case and barriers to access property and finance.


4.4.1. Unlocking networks

Women face considerable societal hurdles in leading and managing a business venture. Whilst the efforts of government to raise awareness regarding the importance and value of female-owned business to the national economy and the water sector can help in adjusting mindsets and opinions, this process will be generational in its resolution. Being able to manage the multiple obligations that women have will require that these businesses will need to carefully consider their operational model, on the one hand, whilst effectively leveraging social networks, on the other. Business partnerships between smaller and larger enterprises can also support the smaller and developmental businesses in developing their operational model.

4.4.2. Developing the business case

Under this framework there will be efforts to build capacity and establish partnerships between businesses that can enable capacitation through exchange. These platforms and partnerships can provide some of the support required to understand what the opportunities are and how to develop a business to take up these opportunities. However, there is a need for more formalised business development guidance and support in developing the business case for a new female-owned enterprise. There are institutions that focus on providing this business start-up support, but these are often not accessible for certain people (especially more rurally based communities) and provide general support, without really understanding the water sector and the business opportunities. It will be important therefore for the water sector to

take a lead in this and provide bridging support to start-up business. This can include ensuring that business support institutions are well appraised of water sector business requirements, whilst also acting as a conduit for guidance materials to potentially new businesses. This could involve using partners who provide support to the water sector such as the National Business Initiative or NEPAD Business Foundation, for example. In addition, there are opportunities for collaboration between the state institutions which focus on entrepreneur development and water sector institutions. This collaboration could develop *of a one stop shop* approach where female entrepreneurs are provided with a platform that provides them with support for establishing and improving their business operations in the water sector.

<p>GOOD PRACTICE</p>  <p>EXAMPLE</p>	<p>CITY OF UMHLATHUZE ONE-STOP-SHOP FOR SMALL MEDIUM MACRO ENTERPRISES (SMME)</p>
	<p>In June 2018, the City launched a one-stop-shop for Small Medium Macro Enterprises (SMME), which caters for the youth in King Cetshwayo, uMkhanyakude and Zululand districts. The one stop shop is a strategic centre enabling the youth to go to one place for all their business needs. In addition, the centre aims to accelerate the participation of the youth in the economy through entrepreneurial activities. The centre boast skills development and training facilities as well as banking units in addition to housing the National Youth Development Agency offices.</p>

4.4.3. Innovative financing products

There are significant barriers to women in terms of accessing finance to support business development. Support in accessing this finance is needed and certainly the development of a compelling and viable business case is key in unlocking such finance. Whilst financial support is available through various public sector (grants) and private sector (loans) a key part of the business case will be the longer-term business opportunity as well as the creditworthiness of new businesses. In this regard, water sector institutions and government can support by ensuring that these financiers are appraised of the ongoing and future business opportunities as well as negotiating for revised protocols to support female-owned business development. Government also has a key role to play in terms of addressing specific legal and policy impediments that prevent the establishment and development of female-owned businesses.

5. ACTIONING THE FRAMEWORK

The Transformative Framework developed translates into a significant amount of work to be undertaken by the Water Sector to improve its readiness for female entrepreneurs, and consequently promoting their advancement. In considering the human and financial constraints in undertaking all the mitigating interventions, a pragmatic approach to the next steps is laid out that will need to be implemented by the water sector organs of state. This will require commitment and boldness to move away from the business-as-usual approach.

In the short-term, the following are prioritised as critical interventions that will have significant impact of changing the landscape for female entrepreneurs to gain access to and implement opportunities in the Water Sector.

5.1. Intervention 1: Strengthen the policy environment

- **Develop entrepreneurship-centric policy for females:** Given the water sector's commitment to empowering female entrepreneurs and female-owned enterprises alike, the DHSWS should lead, supported by the WRC and other water sector institutions, the development of an entrepreneurship-centric policy to cement this commitment. This formalised policy will outline as an opportunity analysis the various opportunities for female entrepreneurs across the water value chain, the approaches to building the necessary capacity and the creation of a supportive procurement environment to facilitate access to these opportunities will also be described.
- **Linkages to policy and legal instruments:** The Public Procurement Bill, 2020 ("the draft Bill") has been published for comment, providing a key opportunity to translate the learnings from this study into pragmatic recommendations to strengthen procurement in the Water Sector. The DHSWS would need to lead in this area, together with the WRC.

5.2. Intervention 2: Address procurement challenges

- **Strengthen internal procurement:** The DHSWS needs to lead the review and improvement of internal procurement procedures to further promote the advancement of female entrepreneurs in the sector. This review would need to strengthen the capacity and understanding of procurement, and how this specifically relates to its gender strategy and the advancement of female entrepreneurs in the water sector. There will be a need for the department to undertake an in-house capacity needs assessment, to examine and improve awareness, knowledge of and understanding of supply chain and procurement policies and procedures regarding advancement of female empowerment. This would include developing an understanding of roles for staff in delivering actions as relate to existing enabling policies that will promote advancement of access to business opportunities for female entrepreneurs.
- **Revised tender specifications:** The potential for revised tender specifications needs to be explored and engagement between the DHSWS Gender and Disability Mainstreaming Directorate with the SCM Directorate will prove critical in exploring approaches that are supportive of transformative procurement. Establishing discourse between the Directorate and SCM is critical for shifting the way in which procurement is undertaken.
- **Clarify Interpretation of Regulation 4 of the PPPFA:** The SCM at DHSWS will need to engage with the Auditor General's office to reflect on the regulation and assist in documenting ways to ensure this does not challenge the approach to transformative empowerment. Once this has been resolved, it will be important for the DHSWS to undertake a form of roadshow to host clarification workshops on the regulatory environment and the revision of tender specifications to support female entrepreneurial empowerment. This will need to engage with SCM staff across the various water sector institutions. The distribution of information and documentation to support this will be important and the National Treasury guidelines to support the implementation of the PPPFA 2017 Regulations will be a key document to share as well as providing a basis for these workshops.
- **Understand implications on Supply Chain Management:** SCM at DHSWS would also need to examine and understand the internal requirements for improving access to opportunities for black female businesses/enterprises, such as availability and adequacy of information dissemination mechanisms, develop and implement simple mechanisms to address bottlenecks that may arise and track progress of the mechanisms.

- **Cross-sectoral/interdepartmental learning:** Cross sectoral/interdepartmental peer learning on procurement policies can prove immensely valuable in garnering lessons on approaches that have proved successful in other sectors, thereby creating opportunity to mirror these aspects to improve water sector procurement processes and better programmes to ensure the inclusion of women. Developing a programme of exchange between line functions responsible for water sector transformation and SCM, within water sector institutions, will provide guidance in the revision of tender specifications and adjudication processes by highlighting successful approaches that have been used in this regard.

5.3. Intervention 3: Develop a suite of priority projects

- **Identify priority projects specific for female entrepreneurs:** The identification of these projects will serve two key objectives, namely, to develop experience and technical capacity as well as enabling business growth for the female entrepreneurs. The WRC is already championing this intervention by having identified a list of research opportunities that must specifically be led by females. The DHSWS, together with contracting water sector institutions, needs to develop a similar list with a suite of projects through the water value chain that should be led by female entrepreneurs.
- **Communicate and raise awareness:** The development of the list of projects will be meaningless if this is not supported by awareness raising around those opportunities across a range of media and different engagement platforms that exist.

These interventions provide the foundation for more medium to longer term interventions that look to establish engagement platforms and build technical and business capacity across sector.

6. REFERENCES

StatsSA , 2019. *Quarterly Labour Force Survey – QLFS Q4:2018*. [Online]

Available at: <http://www.statssa.gov.za/?p=11882>

[Accessed 27 February 2019].

(IUCMA), I. U. C. M. A., 10-12 March 2019. *The Annual Icomati Basin Women in Water Conference (IBWiWC)*. Nelspruit, Mpumalanga, IUCMA.

Agholor, D. E., Wilhelmina, S., Oyelana, A. A. & Seriki, I. I., 2015. Challenges Faced by Women Entrepreneurs and Strategies Adopted by Women Entrepreneurs to Ensure Small Business Success in Nkonkobe Municipality, South Africa.

Business Call to Action , 2018. *Making clean water more accessible by equipping African entrepreneurs with resources and expertise*. *Responsible Business*. [Online]

Available at: <https://www.responsiblebusiness.com/news/africas-news/making-clean-water-accessible-equipping-african-entrepreneurs-resources-expertise/>

[Accessed 01 April 2019].

Buttner, H. E. & Moore, D. P., 1997. *Women's organisational exodus to entrepreneurship: self-reported motivations and correlates with success*. s.l.:J. Small Bus. Manage., 35(1): 34-46..

Coleman, S., 2007. The role of human and financial capital in the profitability and growth of women owned small firms.. *Journal of small business management*, , Issue 45(3), pp. 303-319.

Department of Trade and Industry, 2001. *Organising and mobilising South African Women Entrepreneurs..* Pretoria. The Department of Trade and Industry: Unpublished document.

DPSA , 1998 . *White Paper on Affirmative Action In the Public Service*, Pretoria : Department of Public Service and Administration.

DPSA, 2006. *Strategic Framework for Gender Equality within the Public Service (2006-2015)*, Pretoria : Department of Public Services and Administration .

DRDLR , n.d. *Branches*. [Online]

Available at: <http://www.ruraldevelopment.gov.za/services>

[Accessed 04 April 2019].

DSBD, 2019. *Key services offered by the Department*. [Online]

Available at: <http://www.dsbd.gov.za/>

[Accessed 04 March 2019].

DTI , 2011. *Towards an enabling environment for women economic empowerment in South Africa: A status quo report* , Pretoria : Department of Trade and Industry .

DTI , n.d. *B-BBEE Procurement, Transformation and Verification*. [Online]

Available at: http://www.dti.gov.za/economic_empowerment/bee_veri.jsp

[Accessed 26 March 2019].

DTI, n.d. *Women Economic Empowerment*. [Online]

Available at: http://www.dti.gov.za/economic_empowerment/women_empowerment.jsp

[Accessed 26 March 2019].

Dube, N. & Cain, J., n.d. *MSB III Mid-Term Review: Gender Mainstreaming*, s.l.: s.n.

DWA, 2006. *Mainstreaming Gender into the Water Services Sector: National Implementation Strategy and Action Plan 2006-2010*, Pretoria : Department of Water Affairs .

DWS , 2017. *Women and Entrepreneurs with Disabilities: Supplier Development Programme*. Pretoria , Department of Water and Sanitation .

Espejo, N., 1993. *Gender and the management of drinking water supply in low income urban communities in Latin America*, s.l.: IRC .

GIBB, 2019. *GIBB growing water sector's female entrepreneurs*. [Online]

Available at: https://www.gibb.co.za/gibb_water_female_entrepreneurs/

[Accessed 27 May 2019].

Hallward-Driemeier, M., 2013. *Enterprising Women – Expanding Economic Opportunities in Africa*, Washington DC: International Bank for Reconstruction and Development / The World Bank.

Kibera, F. & Kibera, L., 1999. *Female entrepreneurship in small scale*, Dar-es-Salam: African Entrepreneurship and Small Business Development.

Kilian, A., 2016. *More financial access needed for female entrepreneurs – Zulu*. *Engineering News*. [Online]

Available at: http://www.engineeringnews.co.za/article/more-financial-access-needed-for-female-entrepreneurs-zulu-2016-08-26/rep_id:4136

[Accessed 26 March 2019].

Lebakeng, M. A., 2008. *An Exploration of Women Entrepreneurship in Lesotho*. MBA Mini-Dissertation. North-West University:Potchefstroom: Unpublished.

McClelland, E., Swail, J., Bell, J. & Ibboston, P., 2005. Following the pathway of female entrepreneurship: A six country investigation.. *International Journal of Entrepreneurial Behaviour and Research*, , Issue 11(2), pp. 84-107.

Morna, C., 2011. *Mainstreaming gender in water and sanitation: A literature review for the SA Department of Water and Sanitation*, Johannesburg: Gender Links.

Mueller, M., 2020. *Money down the drain: corruption in South Africa's water sector*, s.l.: Water Integrity Network and Corruption Watch South Africa.

OECD , 2012. *Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region*. Paris : OECD Publishing .

Palomino Training Solutions, 2019. *What is the purpose of the Skills Development Act?*. [Online]

Available at: <https://palominosa.co.za/training/faq/what-is-the-purpose-of-the-skills-development-act.html>

[Accessed 26 March 2019].

Quinot, G., 2017. *This is how new BEE rules on public procurement impact business*. Fin24. [Online]
Available at: <https://www.fin24.com/Opinion/this-is-how-new-bee-rules-on-public-procurement-impact-businesses-20170920>
[Accessed 26 March 2019].

Richardson, P., Hopworth, R. & Finnegan, G., 2004. *The Challenges of Growing Small Businesses: Insights from women entrepreneurs in Africa*. s.l.:s.n.

SA Government, 2018. *Social Development launches Women Empowerment Framework in Mawewe*. [Online]
Available at: <https://www.gov.za/speeches/deputy-minister-social-development-launches-women-empowerment-framework-mpumalanga-22-aug>
[Accessed 27 May 2019].

SAICA, 2018. *Legislation: Employment Equity*. [Online]
Available at:
<https://www.saica.co.za/Technical/LegalandGovernance/Legislation/EmploymentEquityActNo55of1998/tabid/3041/language/en-ZA/Default.aspx>
[Accessed 26 March 2019].

SEDA, n.d. *Seda Women-owned enterprise development information booklet*, Pretoria: Small Enterprise Development Agency.

Sekatane, M. B., 2018. South African Women Entrepreneurs: Challenges and Coping Strategies. In: D. Opoku & E. Sandberg, eds. *In: Opoku D., Sandberg E. (eds) Challenges to African Entrepreneurship in the 21st Century*. Cham, Switzerland: Palgrave Macmillan, pp. 97-116.

StatsSA, 2019. *Quarterly Labour Force Survey – QLFS Q1:2019*. [Online]
Available at: <http://www.statssa.gov.za/?p=12115>
[Accessed 14 May 2019].

StatsSA, 2017. *Higher Education and Skills in South Africa*, Pretoria: Statistics South Africa.

Stewart, A., 2017. *Equipping Entrepreneurs to End the Water Crisis. Business Fights Poverty*. [Online]
Available at: <https://businessfightspoverty.org/articles/equipping-entrepreneurs-to-end-the-water-crisis/>
[Accessed 1 April 2019].

The Presidency, n.d. *South Africa's National Policy Framework for Women's Empowerment and Gender Equality*, Pretoria: The Presidency.

UN Women, 2017. *The Power of Procurement: How to source from women-owned businesses*, s.l.: UN.

USAID, 2017. *Jibu Impact Report: Presentation and Analysis of Jibu's Community Impact, 2015-2017*, s.l.: U.S. Agency for International Development.

Verheul, I., Van Stel, A. & Thurik, R., 2004. *Explaining Female and Male Entrepreneurship Across 29 Countries*. s.l.:EIM Business and Policy Research. Scales Research Reports N200403.

West, K., 2015. *Women: Trading African Women*. [Online]
Available at: <http://www.opportunityonline.co.za/articles/women-15357.html>
[Accessed 26 March 2019].

Witbooi, M. & Ukpere, W., 2011. Indigenous female entrepreneurship: Analytical study on access to finance for female entrepreneurs in South Africa. *African Journal of Business Management*, Vol. 5(14)(14), pp. pp. 5646-5657, 18 July, 2011.

World Bank, 2019. *Profiting from Parity – Unlocking the potential of women's businesses in Africa*, s.l.: World Bank's Africa Region Gender Innovation Lab.

WSP, 2010. *Gender in Water and Sanitation*, s.l.: Water and Sanitation Program. World Bank.

APPENDICES

APPENDIX A: STAKEHOLDERS INTERVIEWED

National Department and Public Entities

Name and Surname		Telephone Details	Email Address
Ms Phuti Moshina Setati	DWs	012 336 7442; 082 610 0408	SetatiP2@dws.gov.za
Mr Mohale Shai	DWS: SCM Infrastructure	012 336 8673	Shaim@dws.gov.za
Mr Gustavais Makoloi	DWS: SCM Demand Management	012 336 7461	makoloig@dws.gov.za
Ms Valerie Naidoo	WRC	012 761 9300	valerien@wrc.org.za
Ms Nomvula Makgothlo	DSDB	082 442 3081	NMakgotlho@dsbd.gov.za
Ms Leandra Pietersen	NT	012 315 5715	Leanda.Pietersen@treasury.gov. za
Mr Nkosinethando Mathebula	NT		Nkosinethando.Mathebula@tre asury.gov.za

WEP Service Providers and private sector individuals


Name and Surname	Organisation	Telephone Details	Email Address
Ms Masetha Serakoana	Funama		Masetha@funama.co.za
Bongekile and Ntombifuthi	AECI Wise Wayze Water Care Programme	083487 6687 083 420 0667	


WEP List of Incubates and Mentee's


Name and Surname	Organisation	Telephone Details	Email Address
Ms Refilwe Lesufi	Prana consulting	010 110 1236	refilwe@pranaconsulting.co.za
Ms Evah Chabangu	Makgo Projects	084 362 2928	makgoprojects@gmail.com


APPENDIX B: DATA COLLECTION TEMPLATES


Interview templates for National Department and Public Entities



WRCRS_Stakeholder
Engagement_DWS GI


WRCRS_Stakeholder
Engagement_DWS SC



WRCRS_Stakeholder
Engagement_DWS SC



WRCRS_Stakeholder
Engagement_WRC.do


WRCRS_Stakeholder
Engagement_NT .doc


WRCRS_Stakeholder
Engagement DSBD.do

Interview templates for WEP Service Providers and private sector individuals


WRCRS_Stakeholder
Engagement_Funama


WRCRS_Stakeholder
Engagement _WiseWe

Interview templates for WEP Incubates


WRCRS_Stakeholder
Engagement_WWEP I

APPENDIX C: INFORMATION SUPPORT

Financial assistance for female entrepreneurs

1. The Isivande Women's Fund (IWF)

This government fund aims at accelerating women's economic empowerment by supplying cost effective, user friendly and responsive finance. The IWF offers support services to improve the success of your business. It targets businesses that are starting up, expanding, rehabilitating, franchising and those that need bridging finance. The aim of the fund is to create self-sustaining black- and female-owned businesses by offering primary financial and non-financial support.

How to Apply for IWF Funding

Female-owned companies need to meet the following criteria to be eligible:

- Your business must be operational for 6 months.
- Your business requires early stage capital for expansions and growth.
- 50% plus one share owned and managed by women.
- Your business requires potential growth and commercial sustainability.
- Your business must improve social impact with employment creation.

Contact IWF for funding

- Businesses that are eligible and need funding between R30 000 and R2 million can submit their application. Apply to the IWF through the IDF website or call +27 (11) 772 7945.
- Download application forms from www.idf.co.za.

2. Women Entrepreneurial Fund (WEF)

The Women Entrepreneurial Fund (WEF) was established by the Industrial Development Corporation (IDC) to support access to entrepreneurial funds for women business owners. R400 million has been set aside for women-owned businesses.

How to Apply for WEF Funding

Women-owned businesses must meet the following requirements to qualify for WEF funding:

- Businesses must have at least 50% women shareholding.
- Applications can be for start-ups, expansions or acquisitions.
- You'll need a solid, fundable business plan to start or expand within an identified market.
- Your business plan will need to include financial plans detailing: capital expenditure, working capital requirements, resourcing and operational involvement.
- You can also be a shareholder with a direct or indirect total net asset base of less than R15 million.

The following sectors are excluded from eligibility to the WEF:

- Franchising
- pure acquisitions
- construction
- import and export
- retail
- primary agriculture
- property development and consulting services such as recruitment and engineering.

Contact WEF for funding

- You can find out more information and access the application form from the IDC website: <http://www.idc.co.za/>.

3. Business Partners Women in Business Fund

The Business Partners Limited Women in Business Fund is focused on assisting women entrepreneurs with starting, expanding or purchasing an existing business. The Women in Business Fund is aimed at helping women start their entrepreneurial journey on an even footing.

The fund aims to:

- Increase access to finance for women entrepreneurs
- Invest in viable women-owned businesses
- Assist in the growth and expansion of women-owned businesses
- Contribute towards an increase in the number of successful women entrepreneurs and inspire young females in choosing entrepreneurship as a career option.
- Facilitate the creation of new jobs and decreasing unemployment and poverty among the citizens of South Africa.

Qualifying criteria

- Women-owned companies need to meet the following criteria to be eligible:
- Businesses with a minimum of 50% women shareholding.
- Women entrepreneurs, who wish to start, expand or buy an existing business.
- Women in operations and management roles in the business.

How to Apply for Business Partners Women in Business Fund funding?

- To apply for financing from the Business Partners Women in Business Fund, you will need to submit your business plan to one of its Fund advisors. You can also send your business plan to enquiries@businesspartners.co.za or deliver it to any one of the fund's offices located country-wide.

Contact Business Partners Women in Business Fund for funding

- If you wish to contact Business Partners for further information you are also welcome to submit a finance enquiry online enquiries@businesspartners.co.za and one of their investment personnel will contact you.

4. IDF Managers Funding

The Identity Development Fund is a leading organisation in developing innovative financial products with the added benefit of being integrated with non-financial support. IDF is focused on unlocking value in the entrepreneurial sector through fund management services for institutional and corporate investors.

This fund is divided into multiple sectors, including:

- Management funds, which are targeted at entrepreneurial SME investment and development.
- Advisory services on strategy and implementation of a new project, which is targeted at the development of entrepreneurs.
- Financial support is structured on a case by case basis and non-financial support is tailored to the needs of businesses during the various stages of growth, as well as the needs of the entrepreneur.

Qualifying criteria

- Your business needs to meet the following criteria to be eligible:
- Black owned and managed (51% or more); or
- Black women and managed businesses (51% or more); or
- Black youth owned and managed (51% or more).

Contact IDF Mangers Fund for funding

- To apply for capital, please visit www.idf.co.za and visit the 'Apply' page.

5. Enablis Acceleration Fund

The Enablis Acceleration Fund is a partnership between Enablis Financial Corporation SA (Pty) Ltd and Khula Enterprise Finance Limited. It is currently capitalised at R50 million.

Its aim is to improve access to SME early stage funding, while reaching out and supporting SME's that are developing in remote or rural areas with a view to creating new sustainable jobs that alleviate poverty and reduce unemployment.

This acceleration fund offers equity and debt instruments over loan periods no longer than 60 months.

Qualifying criteria

- Those eligible for this acceleration funding must meet the following criteria:
- South African SMEs that are accredited by the Enablis Entrepreneurial Network.
- Black and women entrepreneurs for start-ups and the expansion of a business.

- SMEs involved in all sectors, specifically ICT, transport, tourism, agriculture and services industry.
- SMEs that need working capital and or asset finance.

How to Apply for Enablis Acceleration Funding

- To become a member and start on your journey with Enablis, visit the Join Enablis section at <http://www.enablis.org/> and fill out the application form. You will be contacted by the appropriate chapter manager.